FEDERAL AID HIGHWAY ACT OF 1981
(Field Hearings)

HEARINGS
BEFORE THE
SUBCOMMITTEE ON TRANSPORTATION
OF THE
COMMITTEE ON
ENVIRONMENT AND PUBLIC WORKS
UNITED STATES SENATE
NINETY-SEVENTH CONGRESS
FIRST SESSION
ON

S. 841

A BILL TO AUTHORIZE APPROPRIATIONS FOR THE CONSTRUCTION OF CERTAIN HIGHWAYS IN ACCORDANCE WITH TITLE 23 OF THE UNITED STATES CODE, TO AMEND THE HIGHWAY SAFETY ACT OF 1966 TO AUTHORIZE APPROPRIATIONS, AND FOR OTHER PURPOSES

S. 1024

A BILL TO AUTHORIZE APPROPRIATIONS FOR THE CONSTRUCTION OF CERTAIN HIGHWAYS IN ACCORDANCE WITH TITLE 23 OF THE UNITED STATES CODE, AND FOR OTHER PURPOSES

JUNE 29, 1981—SIOUX FALLS, S. DAK.
JUNE 30, 1981—RAPID CITY, S. DAK.
JULY 1, 1981—FARGO, N. DAK.
AUGUST 14, 1981—DENVER, COLO.
AUGUST 15, 1981—BOISE, IDAHO
AUGUST 17, 1981—SEATTLE, WASH.

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FEDERAL-AID HIGHWAY ACT OF 1981

MONDAY, JUNE 29, 1981

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
SUBCOMMITTEE ON TRANSPORTATION,
Sioux Falls, S. Dak.

The subcommittee met at 10 a.m., in the Holiday Inn Downtown, Hon. James Abdnor presiding.

OPENING STATEMENT OF HON. JAMES ABDNOR, U.S. SENATOR FROM THE STATE OF SOUTH DAKOTA

Senator **ABDNOR**. We will call the subcommittee to order. I am happy to see every one here, and so many willing to testify before the Subcommittee on Transportation of the Public Works Committee. I am happy to have two of our key staff people with us from Washington. On my right is Jean Schrag, a South Dakotan by birth and her family is still here, and she is the head staffer for Senator Symms who is chairman of the Subcommittee on Transportation. Off to my left is Mike Nee who came out to represent Senator Bentsen who is the ranking minority member of the Subcommittee on Transportation. I might say I think most of you know from working with Washington, the staff people are extremely important. I am extremely happy that we could have both of the chairman and the ranking member's head staff people with us here today. I am delighted to see the fine group of people who are going to be testifying. I would like to make a brief opening statement concerning our meeting in this regard.

The Subcommittee on Transportation, on which I serve, just concluded a series of hearings in Washington, D.C., on the Federal aid program. I know it is impossible for many of you to come to Washington to present your views. The purpose of this hearing is to give those of you who live in South Dakota and the surrounding area the opportunity to let us know the condition of our highways and how highway legislation now before the subcommittee will specifically affect your area.

Both the Department of Transportation and the private sector have recently completed studies assessing the condition of our highway system and its long-term needs. The results of these studies show that our highway system is deteriorating at an alarming rate. According to a Department of Transportation needs study, over 10 percent of the interstate needs major rehabilitation right now, over 90 percent of the primary system in rural areas will need resurfacing in the next 15 years; and 95 percent of the secondary system will need reconstruction during the next 15 years. It will cost $33 billion to replace or rehabilitate all the deficient bridges in this country.

Our highway needs are increasing rapidly at a time when revenues into the highway trust fund are decreasing and inflation is eating away at the program with the construction industry experiencing inflation rates approaching 20 percent per year over the last few years.

Over the past 10 years the cost of maintaining a mile of road has increased over 110 percent and the cost of constructing or reconstructing a mile of road has increased over 190 percent. At the same time revenues into the highway trust fund are decreasing due to several factors including more fuel efficient vehicles, and less travel because of higher fuel costs. During the past 2 years, payments out of the trust fund have exceeded revenues into the fund. And the States are experiencing similar revenue problems. No one wants their taxes increased, however. The people in this country have made it clear that they want Federal spending reduced. So, I do not believe there will be a Federal gas tax increase in the near future.

With the Interstate System nearly complete and the highway dollar not going as far as it used to, where should the Federal investment be directed?

South Dakota has almost finished its Interstate System. Its needs are now in the area of rehabilitating and maintaining its primary and secondary roads and bridges. I recenty cosponsored S. 1024, which is now before the subcommittee. This legislation would expedite completion of the Interstate System. It retains the minimum one-half of 1 percent interstate construction apportionment for States like South Dakota. I believe those States who made an early commitment to finishing the interstate, often at the expense of their other roads, should not be penalized now that they have almost completed their portion.

This legislation also directs the Federal investment to rehabilitation and reconstruction of the existing Interstate System by adding a fourth R—reconstruction—to the current 3-R program and dramatically increases the level of funding.

The primary and bridge programs are also very important and have been working well. Our legislation continues these programs in their current form. I know the State is very concerned about its bridges, particularly those on county roads. Our legislation continues to make funds available for both off-system and on-system bridges.

The administration, in its legislative proposal for highways, ends Federal participation in the urban and secondary programs after fiscal 1983. Our subcommittee bill keeps these programs through fiscal 1986. While these roads are more of a State and local interest, I believe it is not a good idea for the Federal Government to pull out so quickly. The States will need time for their legislatures to raise additional money and put their own programs in place. The Federal Government is asking the States and localities to take over many responsibilities right now and we have to give them a reasonable amount of time. South Dakota recently raised its State gasoline tax in order to take care of existing highway needs and I do not believe we can expect them to take on additional responsibilities that quickly.

If the Federal Government is going to provide less money, we must also be committed to reducing Federal requirements and redtape. The States should have the maximum flexibility to design projects that address their unique situation. A rural State like ours should not have to design its roads and bridges according to the same requirements for a heavily populated area. Our legislation attempts to provide that kind of flexibility.

The highway network is extremely important to South Dakota. Farm-to-market roads are the backbone of an agricultural State. As our rail service decreases, the highways are the primary means of moving our commodities. They are just as vital in providing mobility for the people in a State where mass transit is often not available.

I am here to listen to what you have to say and I look forward to your testimony.

I am sorry I took so long in my opening statement, but I wanted to give you a brief review of where we are at this very time. We are going to start off our first panel with Wally Larson, director of administration of the South Dakota Department of Transportation, along with the mayor of Sioux Falls, Rick Knobe. Gentlemen, if you will come forward, we are happy to welcome you to the committee. Let me say this to everyone here. Your statement in its entirety will be entered into the record and taken back to Washington. If you care just to review or summarize it, you can proceed any way you want to, but I give you the assurance that everything you have written here, Wally, will be taken back and put in the record.

STATEMENT OF WALLACE LARSON, DIRECTOR, DIVISION OF ADMINISTRATION, SOUTH DAKOTA DEPARTMENT OF TRANSPORTATION

Mr. LARSON. Thank you, Senator. Senator Abdnor, committee staff. I am, as you said, director of the division of administration for the South Dakota Department of Transportation. I want to thank you, Senator, for bringing this hearing to South Dakota and giving us the opportunity to have this input into the committee. I will highlight my testimony. It would take 29 minutes to read it and you don't have that much time.

South Dakota does have some special highway problems. We have more miles of roads and streets in South Dakota per capita than any other State in the Nation with the exception of North Dakota. At the same time, our income per capita is among the lowest in the Nation. A few years ago the chamber of commerce had us 47 among the 50.

As the Senator outlined, our construction costs have risen so we now pay $3 for what a few years ago in 1967 cost $1. Gas tax is a gallonage tax. In South Dakota in the last 2 years we have experienced a 20-percent reduction in the consumption of our fuel. This decreases the income for purposes of improving our highways. We find it difficult to raise our gas taxes much above the current 13-cent State level. Our neighboring States of Wyoming and North Dakota are at 8 cents, our businesses on our border cannot survive much more than a 5-cent differential in gas tax. Wyoming, North Dakota, and Montana, our neighboring States have high severance taxes on their coal and oil reserves, this provides them with the necessary funding for the State government including their highways. When South Dakota buys that coal or oil to fire our powerplants, we then pay a part of the cost of construction of highways in those States.

We believe the highway trust fund is a better way to go. We believe it is a fair and equitable way of sharing the burden of providing a national transportation system and we urge that that fund be increased when it can, realizing the current problems of reducing the Federal budget.

With regard to interstate completion, we do agree with the emphasis on that completion. However, we are very concerned that the one-half percent be retained. For 25 years South Dakota has emphasized the other, the Interstate System and its completion. We are now faced with some tremendous maintenance costs on that Interstate System. We are still deferring our emphasis from the primary and secondary system to handle that Interstate System. We think it would be unfair to discontinue the one-half percent provision; and, we, therefore, favor the subcommittee bill.

With regard to interstate rehabiltation, we now find our needs at about two-thirds what we originally estimated the cost of the Interstate System to be. We do favor the higher funding that is in both bills. However, the vehicle miles of travel as a method of distributing funds we have difficulty with. First off, it is a difficult thing to measure equitably between States. It treats an 18-wheel truck the same it does a compact car, but most importantly it doesn't consider those things which we in South Dakota find destroy our highways; that is, temperature extremes, freeze/thaw cycle, our expansion soils and extreme wet/dry cycles. Further, the more vehicle miles of travel you have in the State, the more revenue that should generate to handle your highways. We find it difficult to see that as a fair way of distributing funds when it is the highly utilized highways that generate the funds to maintain that highway.

With regard to rehabiltation needs on our existing Federal aid system, in South Dakota we have a very detailed computerized study that gives us the exact project needs on our Federal aid primary system. We know that we currently have $226 million worth of needs. We also know that we have about $30 million a year to spend on that system. So that we have concentrate on overlaying the existing system to keep it in service. To do that, you narrow that highway every time you overlay it, and some point in time we have to say that we have to correct the curvature problems, we have to correct the other problems, we can no longer narrow the highway, we have rebuild it and we do believe we are approaching a crisis. We do favor consolidation of categories and giving the States the maximum flexibility between categories.

With regard to the bridge program, South Dakota has 7,238 bridges of which we feel we will need to rebuild in the next 10 years 1,635. In addition, there are bridges that should be widened and repaired. We don't have those funds, we do favor continued high funding of the bridge program. We do have one very special bridge problem in South Dakota. That is the Forrest City Bridge over Oahe Reservoir. That is a bridge constructed with U.S. Army Corps of Engineers funding at the time.

The Oahe Dam construction is threatened by an enormous landslide. We estimate the cost to correct that at $1 billion. There is a danger of a catastrophic collapse of that structure. One problem we have is the structure is *neither structurally deficient or functionally obsolete*, it doesn't qualify under the current formula for bridge-replacement funds. We urge it be made to qualify for those funds and that funding be provided.

With regard to the secondary urban systems, we urge that they continue to be funded and therefore favor S. 1024 over S. 841.

One other area I wish to address is truck size and weight. Title 23 United States Code currently sets a maximum of 80,000 pounds and a width of 96 inches. This allows for some States to form a barrier to the interstate commerce between Michigan and the gulf, we think that is an unfair restriction. The lengths of trucks are limited to 55 feet in some States; to 85 in others. Truckers must conform to the minimum of the States that they are going through or they must reorient their loads when going through the more restrictive States. We believe to conserve fuel and economically move our produce to market, title 23 United States Code should be changed to set a minimum maximum weight that could be set by any State of 80,000 pounds and a minimum length of 80 feet overall, and the width restriction should be removed as an unnecessary restriction on the States. We feel the States are perfectly capable of regulating the width to provide a fair system of transportation.

With regard to finance and in conclusion, I urge that funding be increased to the highway trust fund. I believe the investment in highways is one that pays dividends back, and that since the highway gas tax has not been increased for 20 years, it is time to increase that tax and raise additional funds for highways. Thank you, Senator. I do, in addition to my testimony, have the testimony of the South Dakota Secretary of Agriculture Roger H. Pearson. I submit it for the record and ask that it be included in the record. [See p. 76.]

Senator ABDNOR. Thank you. Mayor, we would like to hear from you.

STATEMENT OF RICK KNOBE, MAYOR, SIOUX FALLS, S. DAK.

Mayor KNOBE. Senator and staff the city of Sioux Falls appreciates this opportunity to express our concerns on future legislation. It addresses the development and maintenance of our Nation's streets and highways. Of particular concern today is how pending legislation will affect the streets and highways of Sioux Falls and ultimately the people of this city.

In Sioux Falls there are approximately 67 miles of streets and highways in the Federal aid urban system. There is also approximately 400 miles of locally funded streets. Many of the streets are now in need of resurfacing, rehabilitation, or reconstruction. In addition to maintaining our existing local street system, analysis of the city's Federal aid to urban systems shows a need for $29½ million worth of improvements in the next 10 years. Compared to rural highways, construction of urban streets are extremely expensive.

In Sioux Falls the Federal aid urban system funds serve many purposes beyond the movement of traffic. Some of these other purposes are it allows for a more equitable distribution of the tax burden. In effect the Federal aid urban system funds are a users fee. The use of major street projects assists in the coordination of urban growth, serves as a tool for bringing the State, county, and the city together to deal with the urban area's transportation problems with very limited dollars. It allows the State, county, and city to develop a transportation improvement program; that is, a 5-year program for transportation improvements. I think in the jargon it is a TIP which involves budgeting and planning practices. We hope full consideration will be given to the benefits of the program.

The city supports continued local control for the improvement of these streets. However, the fiscal impact of discontinuing the aid to local communities in 2 years would be severe. We strongly support, Senator, your bill which continues Federal aid urban system funding for 5 years, to 1986, to allow cities to compensate for the loss of these revenues. This will allow the urban area to complete our present 5-year improvement program for streets and highways.

As maintenance costs for streets and highways continue to rise, the outlook for the State, the county, and the city to maintain the existing street system is indeed bleak. This factor could change if new revenues are found and the current method of taxes by the gallon is revised. The city supports the department of transportation of the State of South Dakota in recommending the method of taxation for refinancing the highway trust fund be changed to a percentage tax rather than a gallonage tax and that concludes my testimony, Senator.

Senator ABDNOR. Thank you, Mayor. We appreciate that input. We are as concerned with the urban area of this bill as we are of the other parts of it. I guess it is safe to assume both of you gentlemen like the committee bill over the administration bill because it gives you a little more time to get your house in order. Do you think by relaxing the regulations, Wally, that this creates some savings.

Mr. LARSON. Certainly.

Senator ABDNOR. You have your own city road department, do they design their roads for the city or who does that?

Mr. LARSON. It works both ways. Some of the design is done in our office in Pierre, some is done by consultants, some by staff of the city.

Senator ABDNOR. In any way we experience less controls and requirements will make considerable difference. I guess that is one area we both agree, the administration and the committee, that this has to be allowed. Let me say on the Forrest City Bridge, they hear a lot about that down there on the Appropriations Subcommittee of which I am a member. I made sure it is a priority item so it gets on the list and can't be ignored, and at the same time a priority item so they don't foreget it. How is that shared? Is that a 90-10? Do you get 90 percent from the Federal Government?

Mr. **Larson**. Part of the repair work is funded under the current interstate completion, some is eligible for the completion funds, part of it is the current 3-R program.

Senator **Abdnor**. Does rehabilitation of those overpasses come under the 3-R program?

Mr. **Larson**. It does come under both funds. There is both funds for those projects, part for your overlaying to protect from the penetration of fluorides is under the completion, under the current definition of the interstate. Not under the old part. The part where we are restoring the old deck it is restoration.

Senator **Abdnor**. The fourth R of the 4-R program will be of help I am sure.

Mr. **Larson**. Right.

Senator **Abdnor**. I don't know what to tell you on the truck weight and length, but we are down to just two States now giving us problems in that area. Thank you, gentlemen.

Our next panel is my good friend whom I have known for many, many years, Senator Jerome Warner of Nebraska; and Bob Anderson, the director of the office of policy analysis of the State of Iowa Department of Transportation. I know that Mr. Warner is chairman of that appropriation committee of the unicameral system and must have a lot to say about growth. We are happy you gentlemen are here today to give us the views of Nebraska and Iowa in relation to the two bills we have before us. Whichever one of you care to go first, you go right ahead. I assure you that the entire statements will be placed into the record.

STATEMENT OF HON. JEROME WARNER, NEBRASKA STATE SENATOR

Mr. **Warner**. Senator Abdnor, my name is Jerome Warner, and I am here today in my capacity as you mentioned as a member of the Nebraska Legislature and chairman of its appropriations committee, and as chairman of a special committee composed of all committee chairpersons, which was formed specifically to formulate proposed State policies necessitated by anticipated changes in funding of a number of Federal programs.

I wish to state my personal position of total support of the objectives of controlling inflation, reduced government interference in the private sector, and a strengthening of the economy. I must also acknowledge I have not had time to study all the ramifications of the proposed improvement of the Federal highway aid program, but do wish to call your attention to a few provisions I feel are significant to Nebraska's being able to meet its future highway needs.

By way of background I have been the principal introducer of a number of pieces of highway legislation which have been enacted in Nebraska over the last 15 years. Included is a package of 16 bills which established an integrated road system for all then 103,000 miles of highway, roads, and streets in Nebraska, a functional classification system with assigned jurisdictional responsibility, the establishment of appropriate standards for each system and a 1- and 5-year road program which required public hearings and input in their development. These management policies, together with the necessary increased means of financing to enable completion of the system within 20 years, were enacted, needless to say, extraordinary inflation and some lesser problems have kept this goal from being realized.

In addition, I introduced a variable fuel tax enacted by Nebraska in 1980, a true variable tax limited only by the level of authorized appropriation for road construction.

Since we recognized the importance of all roads within the State, Nebraska shares the majority of its highway user revenue with the cities and counties, with a division percentage of 53⅓ percent for the State, 23⅓ percent for the counties, and 23⅓ percent to the cities. The variable motor fuel tax revenue is reserved for the State, but this is balanced by an additional 1 cent per gallon divided equally between counties and cities. All roads serve as feeders to other roads, hence an integrated system is essential to an adequate highway system. With this background in mind, I would like to comment on the following provisions of the legislation before you.

I believe it is essential to retain the present one-half percent minimum apportionment of the interstate construction authorization to States which have completed their interstate construction. Nebraska placed a high priority on completion of its segment of the interstate, and to some extent deferred other State highway needs. In part, because of this deferral, together with the needs to have it an adequate primary, and secondary urban system as feeder roads to the interstate, we believe the authorization to transfer part of these one-half percent funds to these systems makes for overall efficiency and compliments an integrated highway system. The discontinuance of the one-half percent funds would penalize those States which sought early completion as envisioned with the National System of Interstate and Defense Highways. The cost savings by the earlier completion was also a favorable factor. Nebraska also built first most of the more expensive construction providing additional overall savings when compared to those areas of the country where this type of construction still is not completed.

I support retaining the present formula for the 4-R program with age as a factor. Obviously there will be greater maintenance cost for the older roads. The present 75 percent based on age of lane miles is a reasonable and defensible part of the formula. Nebraska will be making greater use of the Dynaflect machine and other engineering methods for determining the structural adequacy of its roads in planning its reconstruction needs for all our systems. Such a factor makes more sense than a simple traffic count which do not take into account the type of traffic the road is carrying.

I strongly support a longer range highway act and one of at least 5 years would fit with Nebraska's presently required planning period. The cost savings, and better fiscal and highway management from such a time period, are self-evident.

Since the present level of Federal funds for Nebraska is most important, if our State is to meet its highway needs, changes in distribution that serve no other purpose than to shift funds to other States cannot be tolerated.

Nebraska has made a great effort on its own to meet these needs, but certainly cannot do it without Federal assistance. According to the department of transportation publication, "Highway Statistics," using 1967 as the common base year through 1978, the most recent year for which these statistics are available, the Federal aid dollar for highway construction to all States has increased at an average annual rate of 5 percent; the rate of Federal aid apportioned to Nebraska also has increased at an annual rate of 5 percent; the dollars spent by all States for construction of State administered highways with funds from all sources—State, local, and Federal—have increased at an annual rate of only 3 percent, but in Nebraska's case the average annual increase over these 11 years has been 6 percent. We have had two significant increases in motor fuel taxes since those statistics were compiled. We have and we are continuing to make maximum effort.

Emphasis should be placed on preservation of the investment the public has made in its total current highway system. Roads are of tremendous importance to an agricultural State such as Nebraska. With the continuing demise of branch railroad lines, there are no alternatives for the movement of agricultural products from small elevators to unit trains or barge traffic except for highways, and the timely marketing of such products for export and a more favorable balance of trade payments cannot be over emphasized. A stronger U.S. economy to no small degree is dependent upon an adequate highway system.

The June 1981 report of the Nebraska Crop and Livestock Reporting Service listing agricultural statistics for 1980 noted that 30,000 persons were engaged in transporting farm products, processed foods, and merchandise needed on our State farms and ranches. It is stated the transportation bill for agricultural products in Nebraska is estimated at $900 million annually.

Most Federal highway funds coming to Nebraska are used on roads which serve the public nationally. Certainly Interstate 80 makes Nebraska a bridge State for east-west traffic, particularly for trucks. With some of Nebraska's interstate over 20 years old, it has already carried traffic in excess of its planned capacity, and at weights in excess of those allowed when it was built. Reconstruction of this important highway for safety, current designed standards and normal wear is necessary.

In closing, I would like to say I fully support the statement by the Nebraska Department of Roads director, State engineer, David Coolidge provided to the Subcommittee on Transportation after your April 1981 hearings in Washington. The contribution of roads to our Nations economic revival is as much a key to its success as any other single factor, for a healthy and vigorous economy depends on the movement of goods and people.

I thank you for this opportunity to appear and speak to some of the points I hope will be included in the 1981 Federal highway legislation. I might say, Senator, after listening to your opening remarks, I have the feelings I must have heard your remarks and just kind to took the high points and repeated it.

Senator **Abdnor**. Not at all, we are happy to hear your comments, Senator Warner, because we know of your expertise in State government. That is what we are trying to get here today. Incidentally, I did ask Mike to raise his hand here. I didn't introduce Lee Schoenback from my staff. He handles our transportation, put your hand up. Mike Nee again from Senator Bentsen's staff. We are glad to have you two people here to hear the testimony of the people out here in the Midwest. At this time we are going to hear from Bob Anderson from Iowa. I have a hunch all our problems are similar in many regards.

STATEMENT OF ROBERT J. ANDERSON, DIRECTOR, OFFICE OF POLICY ANALYSIS, IOWA DEPARTMENT OF TRANSPORTATION

Mr. ANDERSON. I am the director of policy analysis for the Iowa DOT. We welcome this opportunity to appear and testify on the Federal aid highway program for Congress in the coming months. Clearly Congress must recognize that yesterday's solution to transportation problems are no longer adequate.

We believe fundamental changes in existing structure of the highway program are in order, especially in the following areas. In regard to highway trust fund we feel that any Federal aid bill passed by Congress should include as a basic component a long-term extension of the highway trust fund, with its revenues indexed to counter the affects of inflation. This is not to say that we advocate an immediate increase in user fees which are deposited into the fund, but rather that the effectiveness of the fund should not be compromised by soaring highway construction and preservation costs. Close monitoring of the funds relative to buying power is in order. As a future consideration, we feel the current user fee schedule should be evaluated and possibly restructured following the completion of the Federal highway cost allocation study due in January 1982.

With regard to the Federal involvement, the Federal aid highway program is today composed of some 30-odd categorial programs. While each of these programs may be worthy in their own right, we seriously question whether the majority of these programs are of such significant national interest as to require their inclusion in the Federal aid highway program. To point out the aspects that we feel are important in Iowa: 16 percent of all of our traffic and 32 percent of truck traffic is served by 1 percent of our highway system, the National System of Interstate and Defense Highways. Also, an additional 45 percent of all traffic and 39 percent of truck traffic is served by 9 percent of our roads in the Federal primary road system. Thus, these two systems, which constitute 10 percent of our mileage, serve 61 percent of the total travel and 71 percent of total truck travel. This results in the other 90 percent of the system serving 39 percent of the total traffic and 29 percent of the truck traffic. Based in great part on the foregoing, Iowa firmly believes that to perpetuate the numerous Federal programs which are not directly associated with the National System of Interstate and Defense Highways and the primary Federal aid system serves only to dilute the already inadequate resources of the highway trust fund and reduce the overall effectiveness of the entire Federal aid program. Iowa DOT, therefore, strongly advocates the elimination of all categorical programs which are not directly necessary to reach national goals and objectives, while retaining those that are patently and undeniably of Federal interest. Included in this latter category would be completion of the National Interstate System, Interstate 4-R, the primary system, and modified bridge program. In advocating this, we would also support the phaseout of the Federal-aid secondary, urban, and safety programs over a 2-year period through a transitional block grant program administered by the States.

With regard to interstate completion, Iowa DOT firmly believes the completion and preservation of the Interstate System should be the top priority of the Federal aid program, with funding authorizations for those programs increased dramatically to meet this goal. While doing this, though, we also advocate a narrow definition of completion with the remaining costs reallocated to interstate 4-R program, thus enabling realistic financing of the long existing national goal of completion. We further recommend the current one-half percent minimum interstate construction program apportionment to each State be ended in recognition of reality as many States have completed their portion of the system, and many more will complete their portion of the system in the next few years. Finally, we support the continuation of the present 90-10 matching ratio for both interstate construction and 4-R to assure local priority and the commitment to the National Interstate System.

With regard to interstate 4-R, as we stated above, the Iowa DOT both firmly supports an adequately funded 4-R program which will preserve the national transportation asset which is almost irreplaceable in light of today's cost to completely replace that system. A drastic increase in funding for this program is absolutely required. We would further recommend consideration of a revised formula for allocation of the 4-R funds among the States. Our proposal would be 50 percent based on lane miles in place more than 15 years. This would place major exphasis on older pavements. Twenty-five percent on the basis of relative identified 4-R needs among the States, and 25 percent on the basis of vehicle miles of travel which would acknowledge the extent of use among the States.

With regard to bridge replacement and rehabilitation programs. Iowa DOT is concerned with the effectiveness of the threatened bridge program being diluted by the use of the program's funds to finance structures which are not of national interest. It is our belief that the discretionary component of the bridge program should be used exclusively for the construction and rehabilitation of structures spanning major barriers and with extraordinary costs. Furthermore, we are definitely opposed to using any Federal bridge funds to finance off-system structures that are not in the Federal interest.

In summary, Iowa DOT advocates the restructuring of the Federal highway aid program to define, construct, and preserve a direct Federal Interstate System, a system that would not be compromised by locally oriented interests and programs. We therefore urge Congress to resist the temptation to simply extend existing programs, but rather to concentrate the resources of the highway trust fund in three basic areas: National Interstate System for completion, 4-R, the primary system, and the bridge program.

In reviewing the various legislative proposals currently being considered by Congress, we have found the administration bill, S. 841, is most philosophically compatible with the position advocated by our department. However, we also believe the bill presently being considered by this committee, S. 1024, could with some modifications be an acceptable vehicle. The modifications we suggest for consideration are elimination of the required minimum one-half of 1 percent to all States for construction of the National Interstate System; phaseout of the secondary, urban, and safety programs over a 2-year period through a transitional State administered block grant program, and elimination of the off-system component of the bridge replacement and rehabilitation program. These modifications would then provide the possibility for more adequate funding of the remaining programs. Federal involvement that is insufficient to meet program goals only serves to postpone solving our national highway problem. It encourages others to have false expectations, and we will all continue to fail to face up to our serious problems together.

Senator ABDNOR. Thank you Mr. Anderson. Obviously we have differences of opinion. I see what you meant when you started out. Senator Warner, what have been the advantages and disadvantages of implementing a variable fuel tax in Nebraska?

Mr. WARNER. The advantage, of course, is that we are able to have a system expenditure or a planned road program that is not contingent upon coming up with a shortfall in revenue. I don't know if you are familiar with our system. As you know, we have a sales income tax rate that is set by a board of equalization after the legislature sets the budget and that is a variable rate, and the system for fuel tax is identical in that we set the level of dollars of appropriation for highway construction, this year in excess of $108 million, then the revenue that is raised from the other highway user fees are a fixed-cents per gallon which is 10½ for State purposes, together with miscellaneous receipts, the difference with what that collects from the total appropriated is raised by the variable tax. This year 22, 24 million.

That can be calculated on a twirling basis, if the consumption goes down the rate goes up, if the price goes up the rate could be reduced, but we will always raise that constant dollar every year to give stability to the road program. I suppose the shortcomings, the conflict has been there can be the potential for the adjustment in the rate periodically which there is always some fuss, whatever the rate is adjusted, particularly when it goes up.

Currently our total package—13.9 percent—was adjusted on June 1, the last time, up three-tenths of 1 percent. The base that we use in determining the tax is the price that the State pays for its bulk purchases of fuel. And then the rate currently at 2 percent divided by that price and collected on a per-gallon basis throughout the State. We are somewhat higher than adjacent States and there is some complaint about that, but in comparison with the State on a bulk rate.

Senator ABDNOR. That is very interesting, have any other States picked that up?

Mr. WARNER. I think five or six States as of last January at least had some type of variable tax. I think several had a limit on the amount per gallon that could be collected. We have a limit; however, the limit is on the total funds to be collected under the variable tax which gives it stability to whatever the planned road program is for that coming fiscal year.

Senator ABDNOR. Do you ever get a drastic change from one year to the next because of a variance?

Mr. WARNER. The potential, of course, if the Governor chose to increase the highway amount for some special project, the potential is there. I would not anticipate that happening. The advantage is that Nebraska like all States is receiving a declining revenue from the gasoline tax as the usage is declining, and this gives stability to that road program. I think there is probably more broad support for construction of highways or the maintenance of the investment in our current highway system than perhaps is realized sometimes. Particularly our State where we have had a number of branch lines on railroads have been eliminated and the necessity for adequate highways is our only option for movement of goods.

Senator ABDNOR. Thank you. Mr. Anderson, is Iowa able to raise sufficient revenues to support the urban and secondary systems and the bridge programs?

Mr. ANDERSON. I don't believe any State is able to provide all the revenues they feel are absolutely required, but we do have a fairly substantial road use tax fund which is composed of fuel taxes, registration fees, and use taxes. This is, after certain off-the-top items are taken off which are a fairly small part of it, the State gets 45 percent, the counties 37 percent, and the cities 18 percent. We feel the State should receive a higher percentage of that fund, since they do, or the State system does carry a substantial part of the total statewide traffic. We have been able to increase our fuel taxes since 1978 and we are trying again at the present time to increase them, but, of course, the fuel tax mechanism isn't as adequate as it used to be since fuel consumption is decreasing and this type of thing. We have also made a study in regard to the primary system. We feel we need another $145 million a year just to maintain the State primary system of interstate at an adequate—to maintain the present level of service—I guess, not to add any great expansion of service, but just to maintain what we have.

Senator ABDNOR. Is your interstate close to completion?

Mr. ANDERSON. We have one more portion of 380 which runs from Cedar Rapids to Waterloo still under construction, but that is the last segment. We are not opposed to the one-half percent. We have some of the same basic feelings some of the other States do that we did complete the principal part of our system at an early date, but we still feel it is far more realistic to use those funds to fund national interest systems rather than just arbitrarily giving the State a half percent whether their system is complete or not.

Senator ABDNOR. We do have in some areas of the country though, areas where they have taken their dollars, instead of putting it into the interstate into primary and other places, now they are going to be around to collect before they are finished. Some others have neglected.

Mr. ANDERSON. I suppose there are some cases that could justify that in a few States.

Senator ABDNOR. That bothers a lot of us on the committee. There are a lot of areas in the country where a lot of interstate has to be done. They got their share of the money all along and they put it into other kinds of roads, they are in better shape in some of their problems than we are in Nebraska and South Dakota and many others. That is one reason the committee bill was created, because of this fact. I just wondered, it would be great if every one was at the same point in the construction and the completion of it.

Mr. **ANDERSON**. Yes; that would be a much better situation.

Senator **ABDNOR**. I guess if we took it more seriously at the outset. Let me ask you, Senator Warner I should direct it to you, the flexibility of shifting Federal funds from primary to secondary and so forth, does that have a lot of merit in your area?

Mr. **ANDERSON**. If you accept the premise that we have as a Nebraska policy of integrated highway system, that all roads serve the feeder roads to the interstate, I think that some flexibility at least makes more efficient use of available funds for the portion of specially that half a percent that is maintained that can be used on the primary system particularly, and I should add, and I would like to see the concept of the secondary and urban funds retained in the Federal act at some appropriate level for use on those roads specifically.

Senator **ABDNOR**. What Federal requirements and design standards create the most problems for your State on the urban and secondary systems? I am talking about the Federal requirements that we insist on. Which ones are the worst, if we talk about lessening regulations and controls. Is there any one area?

Mr. **WARNER**. I don't think I can answer that specifically. There are representatives of the highway department here that could give a specific answer to that.

Mr. **ANDERSON**. I don't get involved with that directly, but I think we could live with most all the requirements as far as that goes as long as they are handled realistically. When we have some of the environmental groups that come in at the last minute and want to study something that hasn't even been mentioned, this is what really delays things. It seems like if they are going to bring up concerns on some of these things, it should be brought up at an earlier date so it can be addressed adequately.

Senator **ABDNOR**. Who is next, Gunderson, you said can address that?

Mr. **WARNER**. Dave Coolidge, our State engineer, he could perhaps answer that.

Senator **ABDNOR**. Just tell him your name for the record and your title. I would just like your comments on that.

STATEMENT OF DAVID COOLIDGE, STATE ENGINEER, STATE OF NEBRASKA

Mr. **COOLIDGE**. Thank you. My name is David Coolidge, I am the State engineer for the State of Nebraska. The question was what regulations, Federal regulations that have the most adverse effects as far as our roadbuilding situation in Nebraska. I would say was these environmental requirements we have, the Billboards Act, the Davis-Bacon Act and those type situations. It isn't the standards that bother us so much as it is all those other requirements other than the actual standards of our highways. We believe that the standards that the Federal Government has recommended and everything, what is adequate and needed for the future and the present, they don't give us much problems, but some of these environmental requirements seem to be far in excess of what is necessary for an adequate highway system in our area.

Senator **Abdnor**. Those might be the toughest ones. In some areas of the country certain requirements are necessary while in others they are not that big a factor.

Mr. **Coolidge**. That is what I am trying to say, "yes," in that particular area. What we try to do is the Federal requirements is overall for the entire United States and what is good for New York City and New York State is not necessarily in Nebraska.

Senator **Abdnor**. Very good, thank you, Mr. Coolidge. I thank you all. Our next group of panelists is Richard Ekstrum, Ben Radcliffe, and Jerry Wheeler. Gentlemen, we welcome you all. Whichever one wants to start off, go ahead.

STATEMENT OF RICHARD EKSTRUM, PRESIDENT, SOUTH DAKOTA FARM BUREAU

Mr. **Ekstrum**. Thank you, Senator. I am Richard Ekstrum, president of the South Dakota Farm Bureau. I operate a general livestock farm in Brule County, my address is Kimball. On behalf of the South Dakota Farm Bureau, I thank you for the opportunity to comment on the Federal aid highway program and proposals to improve the program.

Production agriculture is highly dependent upon a reliable, cost efficient, and energy efficient transportation system. Over the past several decades, farmers and ranchers have proven to be the most productive segment of the U.S. economy. While this productivity is the envy of the world, transportation of agricultural products to market not only provides a headache to farmers, but can also many times be the difference between realizing a net return or an incurring loss.

Farm bureau supports numerous features included in both Senator Symms Federal-Aid Highway Improvement Act of 1981, S. 1024, and President Reagan's proposals.

The multiyear extension until 1990 is essential to planning a desirable highway system. Funding levels in S. 1024 appear to be in line with the economic recovery program now before Congress.

The present Federal highway trust fund has 40 categories. Consolidation and/or elimination of these categorical programs will help to simplify and streamline the system.

Attempts to redefine the Federal Government's appropriate role in highway matters and returning to State and local governments and the private sector the responsibility and the authority to deal with matters that do not require Federal involvement are trends that farm bureau supports wholeheartedly.

S. 1024 continues funding the rural roads programs through 1986. This secondary system is a critical network of farm to market roads. This continued funding will allow States sufficient time to take over responsibility for not only the rural roads program, but also urban and safety programs.

We believe the focus on completion and maintenance of the Interstate System, the primary system, and the bridge system is timely and appropriate.

In summary, we believe Congress should provide a multiyear bill which begins to properly refocus the Federal Government's highway program. *Consolidation of categories is essential.* Gradual transition from Federal to State, and local governments and the private sector is necessary.

We appreciate the opportunity to present our views. I might make one further comment that certainly we support, strongly support the administration's proposal for economic recovery. We would, you know, support the funding of the highways within lines of his recovery program, economic recovery program.

Senator **Abdnor**. Thank you. Mr. Radcliffe.

STATEMENT OF BEN H. RADCLIFFE, PRESIDENT, SOUTH DAKOTA FARMERS UNION

Mr. **Radcliffe**. Mr. Chairman, my name is Ben Radcliffe, I am president of the South Dakota Farmers Union. I own a farm in Spink County near Redfield, but currently reside in Huron, S. Dak.

I would like to take this opportunity to thank the chairman of the Senate Transportation Subcommittee and you, Senator Abdnor, for scheduling this important hearing here in Sioux Falls.

Probably no issue during the past decade has caused more headaches for family farmers here in South Dakota than the question of our State's transportation future. Even during the early 1970's when we had good crops and decent prices, we were continually confronted with transportation problems that added up to substantial financial losses for agriculture.

I don't believe that I need to tell you that our primary difficulties have involved rail transportation rather than our highways. We have lost literally hundreds of miles of branch lines and have come within an eyelash of losing the entire system formerly operated by the Milwaukee Railroad. Only a hard fought battle to establish a system of State-owned core lines has averted that disaster. Although we now have a tentative agreement that will allow Burlington Northern Railroad to operate on about 435 miles of those core lines, we are not yet out of the woods. The potential of an initiated measure which could block the funding programs now hangs over our rail future.

However, despite the fact that we are in the process of solving some of our rail problems, I want to emphasis that a strong and healthy system of primary and secondary highways continues to be vitally important to our State's farmers and ranchers. The loss of so much of our system of railroad branch lines has made good secondary highways even more important to agriculture than they were in the past.

That is why I am deeply concerned that the Reagan administration has proposed legislation which would wipe out Federal aid for construction and repair of secondary highways after 1983. This action would surely deal a disastrous blow to rural States like South Dakota which have nearly completed construction of interstate highways and have a disproportionately large share of secondary roads. In fact, according to the South Dakota Department of Transportation, just 6,000 of our 90,000 highway miles are classified as primary roads.

I think that we all recognize there are problems with the Federal highway trust funds. Inflation and declining gasoline consumption have obviously meant declining revenues for the highway trust fund.

But I do not believe that cutting off support for our vital secondary highways is a reasonable answer to that problem.

We are also concerned about South Dakota's Federal funds for bridge replacement and safety measures. Fully three-fourths of our almost 1,200 bridges now are subject to weight limitations year round, and a large percentage are also in need of repair.

South Dakota has already been forced to undertake a major and innovative program of State owned railroad lines with minimum support from Washington, D.C. It seems incredibly unfair to me that the citizens of South Dakota should also be asked to shoulder the full cost of maintaining our secondary highway system through their State and county governments.

Even with Federal support we are seeing a steady deterioration on our highway system. The added burden of more and more trucks on our highways, as a result of our rail losses, has outstripped the ability of State and county governments to finance needed repairs.

If we should now lose all Federal support, I think we should certainly see a rapid increase in that deterioration.

As Jim Myers, director of the South Dakota Division of Railroads, has often pointed out, our highways and railroads are each only a part of our overall transportation system. The rapid deterioration of our secondary highways would hamstring our efforts to develop a vital railroad network. Either continued deterioration of our secondary farm-to-market highways or the loss of our railroads could doom our hopes for expanded farm exports and could make South Dakota an economic backwater State.

Senator, as I understand it, one of the primary goals of President Reagan's proposed highway funding legislation is the elimination of redtape. That is a worthwhile goal, but it will be an empty victory if we lose most of our funding.

Preservation of funding for secondary, rural highways is absolutely essential to the economic health of South Dakota. We, in farmers union, recommend passage of either Senate bill 1024 or House Resolution 3210, both of which would preserve that funding. The administration bill, Senate bill 841, would result in another disaster, something that we have had quite enough of here in South Dakota. Thank you.

Senator ABDNOR. Thank you, Mr. Radcliffe. Mr. Wheeler.

STATEMENT OF JERRY WHEELER, EXECUTIVE DIRECTOR, SOUTH DAKOTA TRUCKING ASSOCIATION

Mr. WHEELER. My name is Jerry Wheeler, I am the executive director of the South Dakota Trucking Association and I appreciate the opportunity to appear before you this morning to discuss our position relative to the highway legislation that you are considering.

We are in agreement with the general thrust of your committee's contemplated highway program, and we compliment you, Senator

Abdnor, on your work on that program. We feel that it is in line with the overall economic program of budgetary restraint which we wholly support. As we understand it, the program you are contemplating would set a pattern for at least the immediate future of limiting total Federal aid highway expenditures to the highway taxes generated with the Federal highway trust fund.

We further understand these expenditures would include not only current collections through the special highway taxes, but would add to the previously collected receipts that make up the current trust fund surplus.

This means, of course, the establishment of spending priorities, and the legislation you are considering does this by placing first priority on completion of the presently designated National System of Interstate Highways, followed by an accelerated program of resurfacing, restoring, rehabilitating, and reconstructing the system. The South Dakota Trucking Association and the American Trucking Association support these priorities. However, we do not support the dropping of the Federal aid secondary system from the Federal aid highway program. We, therefore, support the retention of this system with the Federal aid program, and when additional funding is available, if it is, this road system should continue to receive some type of Federal support.

The trucking industry is vitally concerned about the highway-related issues of truck size and weight regulation in the Federal-Aid Highway Act. The current limits are preventing increases in trucking productivity, particularly more efficient fuel utilization. As my testimony will indicate, this impact is particularly severe in the Western States.

In 1974, the Congress raised the permissive Federal gross weight limit on trucks using the National Interstate System to 80,000 pounds. All but two States now, or will shortly, permit the 80,000 pounds. These two States are, however, strategically located so as to impede the efficient flow of commerce in the United States.

Length is not controlled by Federal law. However, despite this and despite the fact that the 65 foot length twin trailer combination is universally operated in the West and has a record of great efficiency and safety, the industry is still not able to operate this combination in 17 States. If we were able to operate in all States with at least the 80,000-pound gross weight limit and the 65-foot length limit required for the twin trailer operation, our industry alone would save approximately 140 million gallons annually in motor fuel. Further, nationwide operations of combinations of this type would produce additional savings through greater efficiency in other areas.

The current trucking industry policy calls for a minimum gross weight of 80,000 pounds; a minimum length of 60 feet per tractor-semitrailer combinations; and 65 feet for other vehicle combinations. Importantly for the West, which already has these limits, is the fact that the policy mandates minimums only. Under the industry's policy, for which we would seek early congressional implementation, maximum vehicle combination lengths would be left to each State to determine in accordance with its individual transportation requirements. The industry policy would also provide for the elimination of any fixed maximum gross weight limits such as now exist in the Federal law. Maximum gross weight would be controlled in each State by the application of the gross weight formula, bridge table B, as presently contained in section 127, title 23, United States Code to that particular vehicle or vehicle combination involved.

We feel that this program in no way presents any threat to the serviceability or life of our modern highway system. The lengths, axle weights and gross weights that States would be permitted to have are completely in line with these highway capabilities. Our modern road system has been designed and built for these lengths and weights. The trucking industry's approach by allowing the States the flexibility to adjust their lengths to meet individual State or regional needs, makes it possible for States and or regions to accommodate and meet more realistically varying transportation requirements.

The Western part of our country, as you know, is particularly dependent on truck transportation, and on the need to achieve greater efficiencies in motor carrier service, just as we need a continuation of a progressive highway program, we need to be able to utilize modern highways to their fullest economic potential. We cannot do this under the present Federal standards.

Another area which the trucking industry policy addresses is that of vehicle width. The present Federal limit is 96 inches on the National Interstate System unless, of course, the State had a higher width limit as of July 1, 1956. We would seek the raising of the 96-inch limit to 102 inches permissible length; this will enable the States to provide greater cubic capacity required by many thousands commodities, and lead to increased truck productivity.

Truck combinations including turnpike doubles and western triples have been operating for years on the Nation's toll roads, and in many cases under special permit operations in the Western part of the country. These vehicles have built up commendable safety records and have produced great energy savings and increased productivity for our industry. The Congress should study the feasibility of authorizing these longer combinations on a selected system of the Nation's four-lane highways.

Finally, Mr. Chairman, I would like to comment on a vexing problem which the industry faces in connection with the present Federal size and weight regulations.

The Federal-Aid Highway Act of 1956, as amended in 1964, provided a grandfather clause that was specifically designed to protect weight limits in a State that were legally permissible in 1956 even though they might exceed the Federal limit. Some of these higher weight limits were allowed under special weight permit sections in the various State statutes.

We believe the language of the 1956 statute to be quite clear. This clarity was in no way disturbed by the 1974 amendments. Despite this, several Western States, including South Dakota, have had special permit operations challenged by the Federal Highway Administration on the basis of the States were permitting gross weights not allowed under the Federal statutes.

We believe these decisions, which have resulted in the Federal Highway Administration withholding part of Federal highway funds from some States, and threatening to withhold it from others, represent an unwarranted and unjustified action by the Federal Highway Administration.

The central question at issue is who makes the determination as to what a State law permitted or did not permit at the time of the enactment of the law, or at the grandfather date. We do not believe the State laws in these instances are that ambiguous, but even so, we believe that an individual State, as supported by the interpretation of the State attorney general or by the State court, is the best arbitrator as to what the State law did or did not allow. Presently in South Dakota, we have both a circuit court and a Supreme Court decision which agree that South Dakota Department of Transportation since 1956 has had and continues to have the authority to issue single trip permits for loads on the Interstate System in excess of the Federal limits. Even with these two court decisions behind us, the Federal Highway Administration continues to harrass the State of South Dakota by threatening to withhold our Federal highway funds. We feel that this is an unfair and an unwarranted intrusion into State governmental affairs.

We would request that your committee give consideration to this serious problem and aid our industry in working with States such as South Dakota in seeking a proper interpretation of the grandfather clause, including a decision as to who has the authority to make that final interpretation. With that I would like to conclude and I would like to thank you for allowing us to present our views before your committee.

Senator **Abdnor**. Thank you. Mr. Wheeler. That is very fine testimony. I am happy to take that back to Washington. I guess it is pretty obvious, you heard me say in my opening remarks that for the last 2 years the amount of money appropriated out of the trust fund was greater than we took in. Do you think it is in order to consider an increase in the gas tax at the Federal level? I am just wondering if you think it is appropriate if it becomes necessary to maintain what we are doing?

Mr. **Radcliffe**. Senator, I am a great believer in a users tax, especially when you are dealing with highways, highway travel and highway transportation and I think each of us who uses the highway should be willing to pay our share of a well-run and well-maintained highway system. Obviously the cost of building highways has increased dramatically over the last few years. In the South Dakota Legislature our organization resisted the concept of a highway tax based on a percentage of the value of gasoline, believing that gasoline prices had inflated much faster than the cost of building highways and some other realistic measure should be established to maintain highways. To make the answer shorter, I think we should well expect an increase in the Federal gas tax if that is what it takes to maintain an adequate highway system throughout our country.

Mr. **Ekstrum**. I might make a comment in that respect, too. That, of course, is that we have to recognize the total dollars derived through the gas tax is being reduced now because the more fuel-efficient cars and also because of the fact that perhaps people are not driving quite as much. So, you know, in recognizing that fact, perhaps, you know, a cent increase or whatever may be in order on the gas tax, fuel tax.

Senator **Abdnor**. You think it is possible, either one of you two, if we were to continue State and local government having to provide the funds for the secondary system, do you think it would be possible for the State to do it? I guess we have to increase the gas tax.

Mr. **Ekstrum**. I can't answer that question because I don't know what the requirements are for total dollars in the future.

Senator **Abdnor**. The secondary and the local is quite a responsibility.

Mr. **Ekstrum**. We favor as much return to State and local as possible.

Senator **Abdnor**. Mr. Radcliffe, you were talking about something of great concern to me, the abandonment of the railroads and the extra pressure, so to speak, it puts on our highways. Matter of fact, a member of the Public Works Committee in the House was considering an amendment to make greater allocations to States that had a high rate of railroad abandonment. There is a great deal of additional wear and tear on our roads that can be directly attributed to railroad abandonment, do you think that is true?

Mr. **Radcliffe**. No question about it. When we lost the Milwaukee Railroad several months ago, we temporarily lost the use of nearly one-half of our total rail system in South Dakota, and immediately that freight was transferred to the highways. Obviously it can become a problem and in fact has. I think that we ought to take a good look at the fuel efficiency that rail transportation has over highway transportation, and obviously put as much of that heavy freight back on the tracks, because of the fuel efficiency and the high cost of building and maintaining highways. So, there is a very definite relationship there.

Senator **Abdnor**. I would have to think that South Dakota has probably one of the higher rate of abandonments. Is that a fair statement?

Mr. **Radcliffe**. I think that would be true. We lost nearly half of our railroad track in one abandonment movement. I haven't analyzed all the States, but I would have to assume we are either the highest or close to the highest in the loss of railroads.

Senator **Abdnor**. You being with the trucking association, Mr. Wheeler, would you concur that the railroad abandonments has put a great deal of added wear and tear on the highway systems here?

Mr. **Wheeler**. I am sure that it has. We recognize, too, that there is a need for a rail system, and the fact that we don't have one, that grain has to move to market in some manner, and it is being moved by truck, and I think that is one of the reasons why we woud like to see, although we know you have budgetary restrictions, we would like to see you keep that secondary system in your program at such time that you may have the funds to go back and continue to fund it. We think it would be a real problem for South Dakota if you ever tried to fund that secondary system, because we have got so much. We have got one of the highest fuel taxes in the Nation right now in South Dakota. We have got some of the highest truck license fees in the Nation. In other words, we have taxed in South Dakota, Senator, to the maximums to try to support our highway system, but there becomes a point in time where you just can't go any further. So, these are the reasons that we would like to see that secondary somehow stay on the system.

Senator **Abdnor**. Has the trucking association been able to detect a greater increase in the amount of trucking since the abandonment of the railroads?

Mr. **Wheeler**. I don't think it is that much difference. I think it has moved a further distance. Some people are under the misconception that there were rail lines running through the fields, and that the grain was put right on a railroad and shipped out of the State. Of course this has never happened. That transportation has always been provided farm trucks from the field to the first point of market. So, that has always moved. I think the only difference is with the loss of some of the railroad lines it is being moved a greater distance on trucks.

Senator **Abdnor**. Well, you mentioned in your testimony, Mr. Wheeler, that the highways were so constructed to take care of the added width and length. Do you think some of our primary systems and our bridges can handle this?

Mr. **Wheeler**. No, I don't think our primary system and some of our roads like that will handle it.

Senator **Abdnor**. Do you think a system that was built 20 years ago can take this extra weight?

Mr. **Wheeler**. The purpose of the Interstate System back in the Eisenhower administration was for Federal defense, and what they looked at when they built the Interstate System was the roads in Europe and Germany during the war and felt that the Interstate System that they were building would haul weights up to 110,000, 120,000 pounds, and if this is true and this is the way they were built, then they should be able to take the types of weights we are talking about today.

Senator **Abdnor**. I guess that is the one factor they are trying to determine. Some of our interstates I think are probably deteriorating a little quicker than they anticipated, but those are things they are wrestling with right now. When you speak of those twins and triples, they do work well in the Midwest. I know you have had great success. What do you think would happen in the more crowded areas of the urban East and metropolitan areas, do you think they could be more dangerous?

Mr. **Wheeler**. Yes, I think so, Senator, and I believe this is the reason why we are only suggesting that the Federal Government not go in and try to set standards throughout the United States, only that we set some minimums and then, of course, leave the rest up to the State. As you know, a couple of the States that are blocking interstate movements aren't in the areas you are talking about.

Senator **Abdnor**. Thank you, gentlemen, we appreciate your testimony and your appearances today.

Mr. Strand.

STATEMENT OF NEAL STRAND, EXECUTIVE DIRECTOR, SOUTH DAKOTA ASSOCIATION OF COUNTY COMMISSIONERS

Mr **Strand**. Thank you, Senator Abdnor, for the opportunity to be here this morning and for the opportunity to testify before the committee. The South Dakota Association of County Commissioners is vitally interested in the continued maintenance and construction of highways and bridges which are within a county jurisdiction and the State's responsibility.

The greatest amount of funds for road and bridge needs within a county are derived from real property tax within a county. Taxpayers view such taxes as confiscatory when increases for such are accelerated and yet are not keeping pace with inflation.

Fiscal year 1979 allocations from motor fuel tax was $4,730,000. Fiscal year 1980 allocations with a 3-cent-per-gallon increase was $4,963,000. These figures definitely reflect less usage of fuel and certainly such cannot keep pace with the increased costs.

Counties in this State of South Dakota have a total of 8,448 miles of highways on county systems, and the counties have a total of 4,894 bridges on their county systems.

With the above totals we can see then that South Dakota is one of the States with the greatest number of miles of rural roads and bridges per capita in the Nation.

Since the counties of this State lean heavily on the agriculture and tourism economy, it is necessary to sustain an excellent transportation system which is accessible, modern and by all means safe, in order to deliver the products necessary to the consumer in these United States and abroad; and to attract our tourism people who rely on a good highway system.

To insure a good program for secondary and collector roads, we believe that a distribution formula should definitely include land area and mileage of roads.

We, the South Dakota Association of County Commissioners, respectfully request the members of the Transportation Subcommittee of the Senate Environment and Public Works Committee consider the serious needs of the 64 counties of the State of South Dakota and the State department of transportation when arriving at a decision in apportioning Federal highway trust funds.

This then ends our testimony, and in summary we would like to say then that we see that 1024 would perhaps fit in the best as any part of proposed legislation to assist the dilemma in the State of South Dakota.

Also, Senator Abdnor, we would like to mention the fact that we have several representatives of the taxpayers of South Dakota with us this morning. We have county commissioners from Faulk County, Herb Cowhich, who is a director of the NAC board; that is, National Association of Counties; Turner County we have Junior Enbrecht, who is a member of the executive board; from Grant County we have Milt Fischer from Millbank, he is a member of the executive board; Moody County we have Commissioner Armstrong present; Hamlin County, Maurice Scott; and from Davison County, Dan Cunningham; Minnehaha County, Mike Schirmer was in the audience, I think he still is, I may have missed a few who are present also. Thank you.

Senator **Abdnor**. Thank you, Mr. Strand, I am happy to hear all those names, and it just shows the committee the interest that I know we have from rural America when it comes time to talk about highways. Larry you want to speak.

STATEMENT OF LARRY MITZEL, PUBLIC WORKS SUPERINTENDENT, BROWN COUNTY PUBLIC WORKS DEPARTMENT

Mr. **Mitzel**. Thank you, Chairman Abdnor. I am Larry Mitzel, public works superintendent from the Brown County Highway Department.

My reason for being here is to discuss what will happen if Federal funds are phased out on the local governments. I represent Delphine Janusz, who is a Brown County commissioner and the Brown County board of commissioners from Brown County, Aberdeen, S. Dak.

The county highways and bridges are deteriorating at a rapid rate. The present county capital outlays are not meeting the needs. Citizens demand more and better service than counties are able to deliver.

With the railroads phasing out it will put a bigger burden on the highways systems. County roads will catch a lot of heavy truck traffic that the railroads once were responsible for.

Brown County alone, we have 516 miles of oil road, 416 are blotter-type roads, which are not capable of handling truck traffic which the railroads once took care of.

I feel they should lower the standards on the local system of roads to keep the costs down and to meet only the needs that are required for low volume roads. I would recommend the continued funding of the mat overlays to replace blotter-type roads, funding for bridge replacement, funding for the secondary roads system to keep pace with the inflation, funding for pavement marking, and funding for the county off and on system of roads, thank you.

Senator **Abdnor**. Thank you, Larry. Mr. Frislie.

STATEMENT OF JOHN FRISLIE, PRESIDENT, HIGHWAY SUPERINTENDENT'S ASSOCIATION

Mr. **Frislie**. Senator Abdnor, my name is John Frislie, Lincoln County highway superintendent, and presently I serve as president of the South Dakota Highway Superintendents Association. The following testimony is my own, but having been active in the association for several years, I believe that it reflects the feelings and attitude of the membership of the South Dakota Highway Superintendents Association.

The proposal to eliminate the Federal aid secondary program is of great concern to counties. Such changes in Federal highway legislation always have a direct affect on county highway programs because all roads are part of the total system of transportation. The Federal Government should not put its entire emphasis on the interstate highways, because traffic on the interstate always originates and terminates on the collector systems such as State, county, townships, and city roads. A lot of the comments I will be making on this I guess are more toward regulation than the problems on the end of the stick.

The Federal aid secondary program should be retained or replaced by similar programs with the following changes or improvements. One, because the present users tax is a small portion of the cost of a gallon of gasoline, a modest raise in the tax should be considered to help fund the program. Two, in order to give the State and counties more flexibility and permit use of project money based on locally determined needs, the program should be funded through block grants with as few regulations and guidelines as possible. Three, paperwork and documentation should be cut to a bare minimum. The man-hours now necessary to complete the paperwork on even a small project is extremely wasteful. Four, many of the provisions of the Davis-Bacon Act are completely irrelevant in our area and should be eliminated. Five, since counties have no problems when buying the right-of-way with local funds and the Federal Government does, the Federal Government should get out of this phase of the projects. This is one reason a lot of the grading projects and Federal aid in the State of South Dakota has come to a halt. Six, most people who attend public hearings on projects are government paid employees from other Federal or State departments. Public hearings should be eliminated or used only in unusual situations, local concerns are easily handled without public hearings through personal contact. Seven, engineering design projects such as seal coats and overlays border on ridiculous. The design of these projects is much like the recipe for a chocolate cake. You first design the recipe and then you follow it each time you bake a cake. Much of the overlay or seal can be done on the same design. Eight, Federal specifications should be more flexible. Lincoln County has roads that have been on the FAS system for many years, but do not meet Federal specifications for a 2-inch overlay, this doesn't make sense. Nine, provide definite guidelines for distribution of Federal aid funds. At the present time, the counties in South Dakota receive 50 percent of the State funds for use on 68 percent of the FAS system.

The bridge program appears to be in the legislation for the next 5 years and this is a very vital part of the total highway system. The following are changes in the improvements which should be considered in the bridge program. One, inspection intervals should be extended from 2-year, the present 2-year cycle to 4 or 5 years. Two, no indepth inspection should be necessary on new structures for at least 5 years. Three, inspection reports presently give no information on drainage areas. This information should be included for design purposes. Many of the bridges that are reported as inadequate and probably show a high replacement cost can usually be replaced with a culvert especially if you know the drainage area is small. Four, the engineering design regulations, especially for small structures, are far too elaborate and should be reduced.

Lincoln County has benefited from the Federal aid secondary program. However, inflation has seriously cut into the program. For example, in 1969 we received $53,000 which built 7 miles of 6-inch base and blotter surface, while in 1980 we receive $78,000 which overlaid only 2-miles with a 2 inch mat. It is projected, therefore, that it will take 5 years or more to accumulate enough funds to do an average project. Lincoln County would need about $200,000 per year to keep up with the 1969 funding.

The Federal regulations are a costly burden on all who receive Federal funds. When George McGovern criticized the FEC regulations as being hard for the politicians to live with, think how many domestic programs Congress has passed that the taxpayers must live with.

In closing, I would like to add that I worked with the Federal Government 16 years and have worked for the county government for 12 years. The rewards are not as great at the county level, but here I am working with the people and not another bureaucrat above me. My experience has shown the local people are more efficient in making decisions than the bureaucrats. Lack of trusting people causes the growth of our bureaucracy both in the State and Federal Governments level. Thank you for giving me the opportunity to present this testimony.

Senator ABDNOR. Thank you, John, we appreciate that. Jerry.

STATEMENT OF JERRY MICHEEL, PRESIDENT, SOUTH DAKOTA ASSOCIATION OF COUNTY COMMISSIONERS

Mr. MICHEEL. Senator Abdnor and members of the committee, I am Jerry Micheel, county commissioner from Beadle County and also president of the South Dakota Association of County Commissioners. The two areas that I am concerned with is the Federal aid to secondary system and the bridge replacement money.

South Dakota, since this Federal aid system was begun in 1951, has received about $79 million that have gone to the counties for the development of roads, bridges and, what I like to call farm to market roads. Many of these roads are serving the small towns in our community who will be heard earlier that have lost our railroad and this is the only link they have to a State highway network or through the larger marketing centers. So, it is a very vital program I feel in the counties in South Dakota. I am much more familiar with our county of Beadle County. I would like to just give you a few examples of what has happened in these 30 years.

We have completed about 27 projects in Beadle County which have utilized FAS moneys, and the Federal moneys has amounted to about $1,700,000. We in South Dakota have a law that says we can only levy 2 mills per year for bridge and highway special funding, and in our State in that time, in our county, we have had the potential of raising $6 million under that funding, so you can see that $1,700,000 that was Federal aid moneys has been a real contribution to the development of the road system in our county. All of those roads I said are linking our marketing centers.

As I was driving down there this morning I happened to think, I started from my farm home, drove on a township road, crossed a new bridge that was built with bridge replacement moneys, drove on an FAS road to Highway 34, drove on another FAS road until I hit the interstate and then I drove to Sioux Falls, and I am sure I drove on some urban roads here. So, you can see these urban funds are a strong part of our road system.

I strongly urge that you continue the Federal aid secondary program as it is at present, beyond the fiscal year 1983. FAS is an important means of funds for funding the road system in South Dakota. Without good farm to market roads, South Dakota's economy is going to suffer further and it won't be just the farmer and rancher as I mentioned, but also the small towns in every one of the States.

The bridge replacement program is a vital program to our county. The Federal law stated that we inspect the bridges as of

January 1, 1981. The counties did this, and we found that many of the bridges were old—we knew this, we didn't have to be told this—and did not meet specifications, and I feel that when law mandates that we do something that the Federal Government remember its responsibility in helping us meet these problems. So, we encourage the program also.

Again using an example in our county, we just completed a bridge over the James River that cost us in the neighborhood of $500,000, this is a big project in a county our size where we have a limited amount of money. We have now been able to replace three of these bridges through these special funds and which we would have never been able to do if it wouldn't have been for Federal funds.

Again I want to thank you for your interest in coming and having this hearing, and I think if we work together, all levels of government, that we can achieve progress in the area of the roads in South Dakota. Thank you.

Senator ABDNOR. Thank you. I thank all you gentlemen for coming here because it is important that we hear from the county level. County roads, as anyone in rural America knows, are very necessary. Do you feel that it is important that people at your level have input into the way the programs are drawn up from the State on down?

Mr. STRAND. I will relay that to the gentlemen that are more familiar with the administration.

Mr. FRISLIE. I don't feel we are, right when the funding comes from the State down to the local levels, why we have never been included in the distribution, we were hoping to get into that this year. If the program dies, I guess there is no need of it. There are a lot of regulations in South Dakota. When you have a one-man office, you aren't geared for all of these programs, so we let the State usually handle most of the Federal aids work for us. But it does take people and you have got to be an expert in all those fields that the Government regulations dictate, and there is no way we can live up to that.

Senator ABDNOR. John, you give us some good ideas for improvements and that is what we were looking for. We appreciate your input. S. 1024 continues funding for primary and secondary roads up to 1986. What is your view on what is going to happen if we go to a 50-50 match on some of these projects?

Mr. FRISLIE. Well, I guess if we have a 50-50 match it will be alittle tougher to meet, but I think in the past we had a larger match and we seemed to be able to come up with that and use our money. Some counties never have used too much Federal aid money, but I think that it would give us a chance to spread local and Federal funds farther.

Senator ABDNOR. Jerry, do you have any thoughts on that?

Mr. MICHEEL. I think the counties would come up to the match, and I would also like to add that the counties would feel, many counties they have developed a road project and maybe if the specifications for using these moneys to keep these roads in shape were lessened that we could utilize this more in maintaining what we already have. This is going to be a problem for counties to maintain specially oil roads with the terrible inflation we have seen in the cost of oil. I think that any dollar you can receive nowadays is a help.

Senator **Abdnor**. Thank you. Let me ask you, speaking of bridges, culverts, large culverts. Does section 404 give you people a lot of problems?

Mr. **Frislie**. Well, I guess we leave that up to the State when we have, say, a bridge replacement. They usually handle it. I can't say we have had any experience with it. However, we did have one bridge built between the State of South Dakota and the State of Iowa that we shared in, and they handled that. I guess the environmental thing there, I know the engineer in Iowa said that they were forced to increase the length of the bridge 100 feet to save a couple of frogs, and I think he is right. I don't know any other reason they extended it for, but that would be one of the governmental regulations that affected it.

Senator **Abdnor**. I ran into one problem up in Codington County. They were having a serious problem trying to put in a culvert and change the stream a little bit.

Mr. **Micheel**. Any time you try to deviate the channel you have to get clearance, and many of these streams you are familiar with in South Dakota, they hardly ever run, but when they run they really flow, and sometimes they alter themselves, sometimes it has created problems for us.

Mr. **Mitzel**. In Brown County over the last 3 years, in the Federal funding of bridge replacement and off and on system we probably got around $700,000 of Federal funding that is revenue sharing included, and it would be pretty hard to do without it with what the people demands are. There are a couple of bridges in that 404, some of those bridges had to be 50 feet longer than they originally would have to be, and I don't think it would hurt at all on some occasions where a bridge could be less in length and even have a dip or so in the road where a 10-year flood or a 20-year flood if it did go over the road that would be more economical than going to the high type bridge, because it seems to me like a lot of your engineers want to build a big bridge just to get the additional money.

Senator **Abdnor**. We have discussed, in the committee, the bridge requirements and the most impossible situation over 100-year period that does make a lot of additional expenditure and cost, so some of the same concerns we are hearing here today are not completely new to us, it is testimony we have had back in Washington and the committee itself. I think it is great to come here and get testimony from the county levels. We appreciate all the testimony we have had this morning. We have moved well along, we thought we were going to go well beyond the noon hour and we have done very well. We will recess until 1 o'clock.

AFTER RECESS

Senator **Abdnor**. Our first panel this afternoon is Clark Dillon; Marvin Hasvold, Associated General Contractors; and Durand Young, chairman of the South Dakota Highway Users Conference. Are they all here this morning so they can come forward. Good. Gentlemen, how are you. Clark, you want to start off?

STATEMENT OF CLARK DILLON, EXECUTIVE VICE PRESIDENT, SOUTH DAKOTA AAA

Mr. DILLON. I am Clark Dillon, executive vice president of the South Dakota Triple A. We are an organization of some 76,000 members in South Dakota and are affiliated with the American Automobile Association, a nationwide federation of 21 million members.

Triple A clubs and their members are naturally very concerned in highway matters. We recognize the important changes that have occurred in recent years that have affected and will continue to affect the highway transportation system.

Rapidly rising energy prices have sharply increased the cost of driving and the cost of building and maintaining our highway system. More fuel efficient cars and decreased travel have exerted downward pressure on the highway user revenues paid for highways. As a result of these and other factors, we anticipate a decrease in new highway building and concentration of available funds in the rehabilitation and restoration of existing roads.

In the Nation as a whole, but in particularly South Dakota, the automobile will continue to be the primary mode of local and long distance transportation. We must conserve our highway system. The price will not be cheap.

South Dakota's Interstate mileage is large in relation to many States and nearly all of it is built and in use. The only incomplete section is a few miles in the Sisseto vicinity. Finishing that, which we hope will be done soon, will link the Canadian border to the Gulf of Mexico. Insofar as the Interstate System goes, we feel its completion should be given a high priority in all States where unfinished segments exist. Of the two bills under consideration, the administration bill authorizes somewhat more for the Interstate System and continues the authorization through fiscal year 1990; for this reason we favor Senate bill 841.

A highway wears out just as cars and trucks and other machines do. The life of a highway can be prolonged with maintenance repairs, resurfacing, and such efforts, but the time comes in a highway's life, just as in a car's, when major work is necessary to extend its useful life. This is due not only to wear and tear, but to changes in needs and changing travel patterns.

Practically anywhere you go today there is obvious evidence of the need for major rehabilitation of our highways. Rapidly escalating costs of highway repairs, coupled with traffic volumes that, until very recently, grew faster than the highway designers had forecast, are wearing out our roads. To halt that trend, or reverse it, will require large investments.

The administration bill proposes higher authorizations for the primary system than does Senate bill 1024; and in view of the age and the condition of our primary system, we think that higher levels are needed to maintain current conditions on the system.

We agree with the proposal in both bills to eliminate the priority primary program. The State should make the decisions, within the primary system, as to which routes get the most attention rather than having a special fund for certain routes within the system.

Both S. 841 and S. 1024 include a fourth "r," reconstruction, in addition to the traditional the three "r": refurbishing, restoration, and rehabilitation formula for the Interstate. The apportionment formulas differ slightly, and for our largely rural State the formula in S. 1024 appears to be the best.

Again the administration bill provides for more 4-R funds than the Senate versions and we would favor the higher levels. Happily, both bills change the matching basis for Interstate 4-R funds from 75 to 90 percent.

The secondary and urban systems have grown over a period of years to a point where they obviously include a lot of roads which are not of national significance and should be turned back to local or State control. While the administration proposal would do just that, we feel the approach should be less abrupt.

Senate bill 841 appears to establish Federal aid rural and Federal aid urban programs in place of the secondary and urban systems under the current law. If this means that highway trust fund dollars could be used on any rural or urban road and not on a Federal system, we would be very much opposed. This would be counter to the principle of putting major emphasis on major needs and would simply spread the money over too many miles of roads.

It has been well established there are many thousands of deficient and obsolete bridges in the Nation. The cost to rehabilitate or replace them would be very high. Failure to act would have serious safety and economic effects. Neither highway bill provides enough money to correct bridge problems both on and off the Federal aid system. We think bridge moneys from the highway trust funds should be devoted to onsystem structures.

We think that Federal road and highway safety has in some instances gone too far. Time does not permit a detailed examination of all the Federal involvement, but the classic example of federally mandated seatbelt/ignition interlock systems is certainly an example.

Another which seems to be gathering some momentum is a proposed Federal drunk driving law which would mandate certain penalties for those convicted.

Let me point out that we are very much concerned about driving under the influence of alcohol and drugs. It is estimated that drinking is a factor in at least half the fatal traffic crashes. This means more than 25,000 deaths annually.

If we are to make a large impact on the very serious traffic problem we face, we must face that fact and act upon it. But AAA does not support a Federal law concerning drunk driving.

Considering the whole of the Federal Government's role in traffic safety in recent years, one measure not enacted for safety reasons but for energy conservation reasons has saved more lives than any other program ever tried. That, of course, is the 55-mile-an-hour speed limit. In South Dakota alone, for example, the average number of traffic deaths annually has dropped from 263 to 214 since the 55-mile-an-hour limit was enacted. That is a saving of 50 lives. It has cost Americans nothing compared with the hundreds of dollars of additional cost per car for various safety devices mandated by Washington. Thank you for the opportunity of testifying.

Our written statement contains some additional details that were omitted to save time.

[An attachment to Mr. Dillon's statement follows:]

FATAL ACCIDENT TRAFFIC DEATHS BEFORE AND AFTER THE 55 MPH SPEED LIMIT

	South Dakota		United States
Year	Fatal Accidents	Deaths	Deaths
1964	211	270	47,700
1965	194	244	49,163
1966	205	265	53,041
1967	183	224	52,924
1968	215	255	54,862
1969	219	296	55,791
1970	189	238	54,633
1971	210	262	54,381
1972	235	294	56,278
1973	228	286	55,511
Average	209	263	

55 mph speed limit began in early part of 1974.

1974	203	229	46,402
1975	163	198	45,853
1976	188	224	47,038
1977	180	211	49,510
1978	168	194	51,500
1979	169	211	51,900
1980	188	228	
Average	180	214	

Thank you once again for the opportunity of testifying.

Senator ABDNOR. Thank you, Mr. Dillon. Mr. Young, do you want to go next.

STATEMENT OF DURAND YOUNG, CHAIRMAN, SOUTH DAKOTA HIGHWAY USERS CONFERENCE

Mr. YOUNG. Thank you, Senator. I am Durand Young, director of information for Triple A South Dakota and speaking today as chairman of the South Dakota Highway Users Conference. The conference is an unincorporated federation of associations and business firms with a common interest in highways and highway safety and economy and efficiency.

We recognize the Nation's and particularly South Dakota's dependence on highways and motor vehicles for transportation of both freight and passengers. We also recognize the problems that zooming energy costs have brought to the highway transportation system of this country.

The decade of the eighties can be expected to see far less building of new highways than in recent years and much greater emphasis on improving existing roads in an effort to prolong their useful life. Much of our highway system is wearing out faster than we are restoring it, and many difficult decisions will need to be made at Federal, State, and local levels during the years ahead.

S. 841 and S. 1024, the bills before the subcommittee, include multiyear funding authorizations. This is very important, since it may take several years for completion of a highway project. Additionally, the administration bill provides for extension of the highway trust fund until September 1990. Such an extension is also very important. A 1-year bill such as H.R. 3210, and I understand there have been some extensive revisions to H.R. 3210 since this draft was prepared, and so I am not sure that that provision is still in there; but in any event, a 1-year bill such as H.R. 3210 does not meet the Nation's needs in our estimation.

I should like to comment on several points addressed in the bills being considered.

First, is completion of the Interstate System which we support. A couple of proposals concern us, however.

In S. 841, section 102(d), the Secretary of Transportation is given authority to withdraw approval of certain interstate segments. This is contrary to the traditional method of having decisions made at the State level subject to approval of the Secretary.

In S. 1024, section 102(b), interstate construction is limited to four or six lanes depending upon population. This could create hazardous, inefficient bottlenecks where new projects will connect previously built segments which may have more lanes than that. I am not talking about South Dakota, I don't think that situation would exist here, but it can and I understand will in some other States. So, we feel both these proposals should be thoroughly reconsidered.

With much of the Interstate System wearing out faster than its designed life, heavy expenditures for preservation of the interstate are required. Both bills broaden the definition for eligibility for Federal funding to include the fourth R, restoration, and increase the Federal share of such funding from 75 to 90 percent. We commend the administration and the Senators for those two steps.

Next to the interstate, the Federal aid primary is the most important system we have, and it too will require substantial rehabilitation in order to provide the level of service needed.

S. 841 will consolidate several categories of highway safety programs and substantially reduce the total funds available for such efforts. Consolidation will give the States more flexibility and that is a good step.

Bridges represent a special problem. There are thousands of deficient or obsolete bridges in the Nation today. Those on the Federal aid systems should receive funding at a level high enough to bring about overall improvements in the next decade. But the present provision setting aside Federal aid funds for off-system bridges is contrary to the major emphasis on major need principle and dilutes the help available.

What should be the Federal role in secondary and urban highway programs? The administration and Senate bills go in opposite directions on this question. The administration would fund urban and secondary systems only through fiscal year 1983, and then return entire responsibility to State and local government. This may be too abrupt a phaseout. S. 1024 on the other hand appears to make Federal assistance available to urban and rural highways not on a functionally classified system. This approach, if enacted, will either spread available funds too thin, or create hugh demands for additional Federal funds, or more likely one followed by the other. This concept should be rejected.

In closing, we believe in the highway trust fund and support its extension. We also feel the current balance in the fund is much higher than necessary to provide for expected cash flow fluctuations. We do not see the need to address any increase in highway user taxes at the Federal level until such time as the highway cost to allocation study is completed and can be used in consideration of future highway needs and until the balance in the current balance in the fund is reduced to the level necessary to handle cash flow.

Thank you for the opportunity to comment on these matters of vital concern to highway users.

Senator **Abdnor**. Thank you. We appreciate the fine testimony. Mr. Hasvold.

STATEMENT OF MARVIN HASVOLD, PRESIDENT, ASSOCIATED GENERAL CONTRACTORS OF SOUTH DAKOTA

Mr. **Hasvold**. Thank you, Senator. I am Marvin Hasvold, president of the AGC of South Dakota. The AGC of South Dakota is an association of highway, heavy, and utility contractors and suppliers doing business in this State. Our membership currently numbers 109 contractors, and 130 associate members. The State association is a part of the AGC of America. The 8,400 contractor members nationwide do the majority of all the construction in the United States.

Because of our interest in and concern for the highways and bridges of South Dakota, we appreciate the opportunity to offer testimony regarding the highway program needs of our State.

In South Dakota as in many other areas of the country, the State in recent years has been faced with escalating needs for highway construction and maintenance coupled with a constant level of revenues in an inflationary economy. Some of the facts which emphasize the critical nature of this problem are the following.

The original estimate to construct this countries 42,500-mile Interstate System was $32.1 billion. To date 94 percent of the system is open to traffic. As of January 1980, the estimated cost to complete the remaining 6 percent of the system was $53.8 billion, two-thirds more than the initial estimate for the entire system.

Highway constructions costs have increased an average. annual rate of 17 percent in the last 10 years, while maintenance costs have annually increased to almost 12 percent. America's highways are in an increasing state of disrepair. The percentage of pavement in good condition has been on a constant decline for all federally aided highway systems. As the percentage of roads in good condition category has decreased, the percentage of roads in the fair condition category has increased to a point where 50 percent or more of the mileage for each type of highway, except interstate, was in only fair condition by 1978. In addition to our Nation's deteriorating highways, we have well over 100,000 of our Nations bridges in need of replacement or rehabilitation. Estimated cost for such repairs or replacement is $33.2 billion.

The picture is grim and becoming grimmer. State, county, county highway budgets are strained to the limit as they try to contend with heavy trucks and hard winters.

Four years ago the Federal Highway Administration estimated at a minimum a total capital investment of 14 billion in constant 1975 dollars would be needed annually by all levels of government to keep the Nation's highways in their 1975 condition over the next 15 years. To date, capital expenditures have fallen far short of this figure.

What can be done to improve the condition of America's highways? The General Accounting Office, the investigative arm of the Congress, recently did a study of this problem and put forth a series of recommendations. As it is now, Federal highway legislation requires States to adequately maintain highways built with Federal assistance. The Secretary of Transportation is required to withhold funds for future Federal highway projects when the States allow these highways to become unsafe or unserviceable. It is GAO's recommendation that these sanctions go into effect when States fail to perform routine preventive maintenance on a continual and timely basis. As it is now, some highways have deteriorated to the point where routine maintenance is no longer effective. The only alternative at that point is for major capital improvements which could have been minimized had proper maintenance been performed.

The cost increases over the last decade for highway construction and maintenance have been dramatic. While construction and maintenance costs were increasing 145 percent and 105 percent respectively, the revenue to pay for highway programs increased by only 60 percent. It is the General Accounting Office's recommendation that the motor fuel tax be revised to keep up with the inflationary trends in highway costs.

It is obvious something has to be done if we are to avoid further problems with our Nation's roadways. Not only are bad roads hard on your car, they are hard on your wallet in terms of automotive repairs and increased gasoline expenditures. The Department of Transportation study revealed consumption increases an average of 34 percent for vehicles in traveling at 40 miles per hour on a badly broken road as compared to traveling on high quality pavement.

With the increased dependence on automotive vehicles, it is in everyone's best interests that the various units of government move very quickly to make the changes necessary to upgrade our highways.

The road information program (TRIP), a research and information agency sponsored by the highway industry, has extensively studied South Dakota's highway needs.

Some of TRIP's findings regarding our States' highway programs follow:

Based on a 1979 study more than 1,300 miles of the State's main roads are in poor shape, according to the American Association of State Highway & Transportation Officials standards.

The report also said an estimated 7,341 miles of the State's 11,225 miles of major traffic routes must be either resurfaced or rebuilt before 1989 to handle present and projected traffic needs.

The agency estimated it would cost $196 million to resurface 5,955 miles of major traffic routes between now and 1989. Another $119.6 million to rebuild 1,386 miles of main roads that are too badly worn to be resurfaced.

Traffic increased by 38.1 percent on the State's roads between 1969–79, and should increase by over 40 percent in the following 10 years.

Although drivers are logging more miles, they are using proportionately less fuel because of wider use of smaller cars, more fuel efficient engines and enforcement of the 55-mile-an-hour speed limit. As a result, South Dakota's roads and bridges are wearing out at faster than motor fuel tax revenues can be generated to help upgrade it.

Maintaining a viable transportation system for the State of South Dakota is now a crisis problem which this State must solve if we are to have a viable economy. Without the means of efficiently and economically moving our products to market, our economy is severely impeded. If we are to expand our industry to provide employment for our people, we must be able to move the necessary commodities into and out of as well as within our State. We, therefore, must maintain at least our current level of transportation if we are to prosper. Rather than maintaining that level of mobility our transportation system is rapidly deteriorating.

We once had 4,420 miles of railroad. Today railroads serve a small portion of the communities they once served in South Dakota. Our motorcoach carriers, in the face of declining ridership, have been forced to curtail service and continue the remaining schedule service to more serve the profitable freight business. Airline service is being reduced.

From this outline of other modes of transportation it becomes evident that South Dakota's highway system is becoming of greater, not lesser, service to the well-being of our economy. We are not improving the level of service provided by that mode of transportation. But are in fact allowing it to deteriorate. In 1962 and 1963 on the primary system of highways exclusive of the interstate, South Dakota reconstructed 212 two-lane miles of highway per year. Fourteen years later in the period 1976 to 1978, the State let to contract an average of only 31 two-lane miles of highway on that system, which together with the interstate is the heart of our highway system.

Our principal financial base has always been the gas tax. This isn't producing enough money to beat inflation. It has now become outmoded, primarily because of events beyond our control, and energy costs have risen steeply and will continue to represent economic difficulties for us in the future. Uncertainties have been produced with respect to gas consumption, prices of petroleum based products, and consequently highway revenue. We must move to a method of taxation that will allow us to make choices concerning our highways rather than one that dictates we do too little too late.

The solution to the problem is some form of inflation sensitive revenue for use in maintaining the highway system. One such source would be a percentage tax on gasoline. The 1966 pump price on gasoline was 32 cents, we made about 6 cents State gas tax for an equivalent of about 19 percent tax. In 1981, the per gallon price of gasoline is about $1.37 per gallon, with a 1-cent increase in 1979 followed by 3 cents in 1980, 1 cent this year, the State gas tax stands at 13 cents. This seemingly large 5-cent total tax increase in 3 years has resulted in a gas tax which is now less than 10 percent of the price of gasoline. Because of decreased fuel usage, total highway revenues are a little better than they were prior to the latest series of tax increases. A percentage tax on gasoline would counteract the inflationary influences. The increased revenues which would be generated would help alleviate the present deteriorating highway situation.

The national AGC office offered testimony in Washington last September on the then pending highway legislation. That testimony was presented by AGC of South Dakota contractor Owen Emme of Rapid City. Owen, acting in his capacity as AGC Highway Division chairman, documented the need for an immediate highway program level of at least $12 billion per year, rising to as much as $18 billion within 5 years. He called for an immediate doubling of the motor fuel tax to offset the effects of inflation on highway buying revenues and asked for a permanent extension of the highway trust fund. The AGC of South Dakota supports those recommendations.

In closing, a few comments of the administration's version of this legislation would be in order. The administration bill eliminates the one-half of 1 percent guarantee for interstate funding for every State. That elimination would cost South Dakota $15 million per year in funding, a sum much larger than we can afford to lose at this point. Thirteen States including Nebraska and North Dakota are affected by the one-half-percent rule. All of them are very concerned about the elimination of this rule.

The administration bill would also decrease the funding as offered in Senate bill 1024. We in the highway industry need the additional funding to try to preserve the investment that we currently have on our roads. Without that added funding, our investment and the roadways themselves would deteriorate. The amount of money necessary to rebuild completely is astronomical. Earlier in this testimony, it showed that it costs $3 to rebuild versus $1 for resurfacing.

In summary, we in South Dakota face the conflict of increasing needs of our highways and bridges on the one hand and the lack of adequate revenues to meet those needs on the other. In the present environment of escalating inflation and decreasing energy supplies, this conflict has reached crisis proportions. An adequate highway system is required for South Dakota, not only to fulfill the needs of the people in this State, but to move resources and to provide goods and services for the rest of the Nation. Federal highway legislation must recognize the needs of States such as South Dakota. The AGC of South Dakota supports the efforts of your subcommittee in developing this essential legislation, and we appreciate this opportunity to offer testimony.

Senator ABDNOR. Thank you Marvin, we appreciate all three of you gentlemen coming and your fine testimony. Mr. Dillon, do you think it would be fair if you levied the Federal gas tax across the board on everyone then put it just into the Interstate System? Lots of citizens of a particular State would consume that gasoline on other kinds of roads that they would by paying for. Do you think that is altogether equitable?

Mr. DILLON. I don't think there is enough money to spread it that thin. I think you have to concentrate on what you can do best.

Senator ABDNOR. It has been working.

Mr. DILLON. The creditors have fallen off too.

Senator ABDNOR. It has fallen off as it's been going up, I guess. We had the variable tax in use in a State like Nebraska and by some others, but in relation to the total overall cost of gas, do you think this is the way to go rather than to levy additional taxes on gasoline in order to continue on with the programs that we have had going?

Mr. DILLON. I think the Interstate System is very critical and the Federal highway system is very critical. I think you can only spread it so thin.

Senator ABDNOR. But let's face it, wouldn't you say, though, regardless of who pays for it, we have to find money for the secondary roads? The State will have to add it to their gas tax, it is going to raise the price of gasoline anyway, it is not something you can walk away from and leave alone. I think you would have to agree, wouldn't you, that is the only thing. Incidentally, the trust fund continues on through 1990 in both bills, I grant you that it is higher in the administration's bill for the interstate but it does continue in both. The point I think we are talking about, four and six lanes being in one bill. I think they are in both bills, are they not? So, I just point that out for what it is worth. Let me ask you gentlemen, you particularly, Mr. Hasvold, you are in the construction business. Apparently in some instances the Interstate System hasn't been holding up so well as we had hoped for. What would you say is the biggest reason for the rapid deterioration?

Mr. HASVOLD. When I was a contractor, I would like to say it was probably a little design problem in the beginning. I guess contractors have occasionally been accused of contributing to this factor, but I would say—in fact, I think I have seen written documents concerning the fact that there were, at the time that some of the design was done on the Interstate System, the techniques they had available at the time and their anticipated projection of traffic use of the interstates perhaps both were a little bit on the light side. I think that the increased usage—and perhaps they were not designed to carry the traffic that has developed in recent years.

Senator ABDNOR. The interstate portion of roads that are being built today and in the past few years, are they of a lot higher grade?

Mr. HASVOLD. They have changed some design techniques, yes.

Senator ABDNOR. I was wondering, because we have had some testimony that the highways will still carry the maximum of what we expect them to carry including the bigger trucks. I have heard both sides on that. Some say it won't hold up under it, some say it does. So, I won't put you on the spot by asking what you think. How much more does it cost to build that mile of interstate today than it did 10 years ago?

Mr. HASVOLD. That I can't tell you. That would vary.

Senator ABDNOR. I guess inflation would be the biggest factor.

Mr. HASVOLD. I think the startling figure to me was the fact that the last 6 percent of incompleted highway is going to cost like two-thirds more than the entire system to date.

Senator ABDNOR. Is that principally because of inflation or of a higher quality road?

Mr. DILLON. A lot of it is urban area, the land acquistion is so much.

Senator ABDNOR. As mentioned here earlier, we have tougher criteria to meet before we start building. There is input from different groups and impact statements, for example, before roads can be built. I am sure that contributes to higher costs. Do you think, gentlemen, that you feel that we could get more for our dollar with less regulations and stipulations from Washington, particularly for the lesser roads, or do you think that is necessary to keep those higher standards and requirements? We have had some testimony that we could do better with our dollars if we didn't have to meet all the regulations and standards that Washington sets. We should let the State, who knows best its needs, have a larger share in the decisionmaking. Do you think we could make our dollar go farther?

Mr. HASVOLD. I have always been a believer in States rights, and I think that perhaps that would be true, that there could be some savings affected by more State control of their own programs. This is a personal opinion.

Senator ABDNOR. Do you think it is absolutely necessary, other than interstate, to keep those standards?

Mr. YOUNG. I guess I would think, Senator, that roads that are of truly national significance are and ought to be part of the Federal system and benefit from the Federal dollars which are really taxpayers' dollars that are sent to Washington and brought back, as we all know, but those roads which are not of national significance, it would certainly seem to me the States ought to have the power and control over those.

Senator ABDNOR. Do you think that if the Federal Government drops its role in safety programs that the State will carry them on? I know both of you are interested. That is an important part of highway transportation. Do you think we could let the role of highway safety rest with the States and the States putting up the money for it?

Mr. DILLON. Probably not entirely, but I think the involvement has been too great in the past. I think there are probably certain things they have to do, but they have gotten involved in too many mandated, particularly in the manufacture of cars, they have gotten involved in an awful lot of safety things that are just not cost effective.

Senator ABDNOR. How about the roads themselves, the railroad crossings and things like that, do you think we could leave that up to the States?

Mr. DILLON. I think the States could handle those things fine.

Senator ABDNOR. You think they would?

Mr. DILLON. I think they could.

Senator ABDNOR. Do you think they would?

Mr. YOUNG. I think by and large there are certainly safety considerations in highway design and highway standards, but you have to make some judgments, I guess, as to what is the most cost-effective use of dollars, and we are in for some hard choices as we go down the road the next few years.

Senator ABDNOR. I don't mean to be picking on you, Mr. Dillon, but because you differed with the Senate bill, that is what we have you here for. Some States, as you know, have taken their share of the money and put it elsewhere. Would it be fair, do you think, to penalize States like South Dakota, Nebraska, and other areas where they went ahead and completed their interstate? Our bill, the committee bill, proposes to continue on with that minimum of one-half of 1 percent. The administration bill does not. Some of us think that it would be a bit of a penalty to penalize the States who did do a good job and performed like they were asked to do and completed the interstate. Of course, had we put more of that revenue into the other highway systems, we would have been farther ahead. That is why some of us feel as strongly as we do about the difference between the funding in the administration bill and the Senate proposal. I just wondered, have you given much thought to that?

Mr. DILLON. I think you can argue both sides of the issue. I don't think it is unfair to South Dakota.

Senator ABDNOR. Well, thank you anyway. We appreciate all three of you gentlemen being here.

Mr. Meisner and Mr. Hanson, Mr. McAtee and Mr. Gunderson will make up our next panel. If one of you gentlemen want to start off, you go right ahead. I assure you again your statements will be placed in the record in their entirety. If you care to summarize, that will be fine. Don, do you want to start off.

STATEMENT OF DONALD M. MEISNER, DIRECTOR, SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

Mr. MEISNER. Yes, thank you, Senator. I am Don Meisner. I think we do have a little confusion about the 4-R I heard at lunch—one of the reporters was here before and asked Wally Larson what the 4-R meant. Well, the first three are reading, writing, and arithmetic and they would have to ask you for the fourth one.

I will summarize, Senator Abdnor, briefly and submit additional testimony for the record.

Most local governments in the Midwest are at or near their statutory budget limits. The Federal aid to urban and secondary road systems are vital to the provision of a service transportation system necessary to move our goods and our people. In Sioux City the Federal-aid urban system is used to reconstruct deteriorated streets, thereby reducing maintenance costs, increasing capacity of streets to eliminate congestion, improving safety for motorists and pedestrians and provide access to commercial industrial developments; and in the secondary system, of course, funds are utilized to provide connections from the local to the primary system and to maintain the farm-to-market system.

Local governments do not have the power to add additional tax to offset the possible loss from these two programs. On the contrary, we are fighting a losing battle to keep our transportation system in an acceptable state of repair. Generally speaking, allocations to the cities and counties from the State road-use tax funds have declined over the past years, and as Senator Warner stated, the exception in this case is Nebraska.

Generally the State legislatures have not been willing to allow cities and counties the ability to implement local option taxes, and inflation has greatly reduced local resources. Local tax bases simply have not kept pace with inflation rates, thereby reducing the actual value of local property taxes collected. In the case of Sioux City, approximately $440,000 of FAU funds are received annually. Approximately $1,500,000 is needed annually for the next 10 years for resurfacing to protect the city's investment in the city's streets. This needed maintenance is being deferred in most years due to the lack of revenue. The consent of raising and spending funds locally for local projects is reasonable and desirable. Capacity and authority, however, do not now exist to do this. Therefore, Senate bill 1024 is the favored option.

It would be highly desirable that the funding levels could be increased during the phase-in period. We generally favor 1024 proposals for the Interstate System. We agree with the addition of the fourth R and suggest that the apportionment formula remain as is until a definitive study can be completed to measure the probable impacts of proposed changes. Interstate age and vehicle class factors would seem to be important for a 4-R apportionment consideration.

We must do a good job of intermodal transportation planning at all levels. Energy costs, personal mobility for all, system efficiency and transportation costs are critical to the well-being of the Nation. The amount of money from the trust fund for planning should be therefore increased, we believe, from the existing one-half of 1 percent to three-quarters of 1 percent. We believe the primary system is important to the movement of the Nation's commerce and should therefore be funded at adequate levels.

The bridge program is also of considerable national importance. Of national importance to me is the movement of people and goods, and the system may be of secondary consideration. Moving corn to market—movement of that corn is of national significance whatever system it may be on.

It appears to us that the Appalachian development highways are a matter of regional development and therefore inappropriate for highway trust fund considerations.

The movement toward local determination and control is desirable, but must be tempered with the realities of the lack of authority and capacity. It appears that Senate bill 1024 is the superior option with the exception noted earlier.

Senator **Abdnor**. Thank you very much. Which one of you gentlemen cares to go next?

STATEMENT OF HAROLD HANSON, PRESIDENT, SOUTH DAKOTA SAFETY COUNCIL

Mr. **Hanson**. Senator Abdnor, I am Harold Hanson of the South Dakota Safety Council, made up primarily of volunteers throughout the State of South Dakota.

Since the only purpose of the South Dakota Safety Council is preventing accidental death and injury on and off the highway system of South Dakota, I will confine my testimony to that section of Senate bill 1024 specifically related to the Highway Safety Act which funds needed educational programs through the Federal 402 highway safety funds.

Since 1978, the South Dakota Safety Council has been providing needed traffic safety programs to a statewide group of citizens. Utilizing Federal 402 highway safety funds, safety council has contracted with the State of South Dakota to conduct and administer the 5-hour traffic violator school, the motorcycle driver training course, and the community traffic committee training program.

Briefly, the 5-hour violator school consists of classes on driver education for those motorists involved in accidents or referred from State point warning letters and/or local court referral.

The motorcycle driver training teaches beginning and novice riders how to drive a motorcycle in classroom and range experience.

The community traffic safety committee program has initiated local grassroots citizens' committees to oversee local traffic problems and solutions.

As of today, the 5-hour violators' school and the community traffic safety committee program have been classified as low priority for continued funding. The reason is that NHTSA has reduced the flow of 402 funds to our State by approximately 60 percent from 1981 allocations. In terms of dollars, this 60 percent represents a loss of some $450,000 to support programs not included in the Federal Department of Transportation priorities for fiscal year 1982 which are the emergency medical service, accident records, and alcohol and police traffic services.

It is obvious in the State of South Dakota, and probably in the United States, that youth and alcohol represents a large number of traffic deaths, and this problem should be focused on and dealt with.

What of the other motorists, pedestrians, motorcyclists, and bicyclists? Do we ignore them in their survival needs? Just because of

Federal Government, and more specifically Reagan, chose to de-emphasize the seriousness of all traffic crashes, doesn't mean that these crashes will suddenly and significantly cease. They will be prevented through engineering, enforcement, education. It must be a cooperative effort on the part of Federal, State, local, and private organizations.

From 1960 to 1980 a 20-year span, South Dakota has lost 5,056 of its citizens to traffic deaths. In addition, over 122,000 people have been injured.

We of the South Dakota Safety Council are striving to reduce these lopsided figures through education, but a lot of these educational programs are not self-sufficient in terms of money. Do we cease to reinforce traffic safety in schools and assume our children will absorb the survival techniques, or do we accept traffic deaths and disabling injuries as one of life's many short comings?

In reviewing all of the information provided by your office, the South Dakota Safety Council recommends that the funding be continued through September 30, 1982. Both Senate 841 and Senate 1024 make no provision specifically for highway safety after September 30, 1981.

The South Dakota Safety Council further recommends that the list of priorities from the Department of Transportation be broadened to include motorcycle rider training, and Safety Town USA, and general traffic safety programing.

In all candor, both Senate 841 and Senate 1024 would raise our annual highway deaths to well over the 55,000 nationwide.

Thank you for the opportunity to make the views of the nonpolitical organization known.

With or without the help of the Federal Government, organizations like the South Dakota Safety Council will still actively strive to save lives on our highways.

Senator ABDNOR. Thank you, Mr. Hanson, we appreciate that and the work you are doing. I know your council does fine work.

STATEMENT OF RENE LIEGL, SOUTH DAKOTA DEPARTMENT OF PUBLIC SAFETY

Mr. LIEGL. Senator Abdnor, I am Rene Liegl, representing Jim McAtee, secretary of the South Dakota Department of Public Safety. On behalf of Governor Janklow and the department of public safety, I would like to extend our appreciation to yourself for allowing us the opportunity to discuss South Dakota highway safety future needs.

The projected changes in the U.S. Department of Transportation's direction and funding support for the State and represented cities and counties makes this hearing most important for all affected. It is these kinds of meetings that enable us to share our concerns and to receive input into the national planning and budgetary processes. It would be expected the testimony presented today would assist the Senate Transportation Subcommittee in the task of deciding on future highway safety bills.

Since the 1966 Highway Safety Act and subsequent amendments, much progress has been made in South Dakota and across the Nation providing for a uniform and safety designed transportation system. Much emphasis was placed upon educating and training the driver, creating safe vehicles and roadways, enforcement of the laws, penalizing and rehabilitation of violators and targeting limited resources where programs and projects would do the most good, considering cost/benefit analysis through various evaluating techniques.

Many things have changed in the past 15 years. The Nation has become much more energy conservation conscientious. This has resulted in slower rural speed limits, smaller vehicles, including cars, motorcycles, and bicycles, along with the related incidence of more occupants per vehicle. Another change that affects South Dakota's highway safety is the increase in heavy trucks which reflects the need for moving agricultural commodities and other products. Changes in the economy have necessitated changes in the Federal Government to look at balancing the budget. The means to do such involved reduction in the Federal expenditures, programs, and other State and local direct assistance programs. With limited resources, Federal highway safety grant funds must prioritize its efforts into directions and programs where there is the most benefits for the limited resources expended.

The South Dakota Highway Safety Agency administers U.S. Department of Transportation highway safety funds. Each year a highway safety plan is developed that documents the societal problems that traffic crashes cause, what projects and programs are planned to reduce the problem. The final step is to evaluate the local and State highway safety activities for cost benefit and for progress in identifying or reducing such problems.

South Dakota will be receiving approximately $505,000 in the fiscal year 1982 highway safety budget as our share of the projected $77 million transportation budget. Through reprioritization of reduced funds it is planned that four, possibly six highway safety areas will be continued to include alcohol safety, that is remove the instance of the drunken driver; police traffic services to enforce traffic laws such as the DWI; traffic records to target resources to where a problem is documented; emergency medical service for training of emergency medical technicians. Another two priority areas that the South Dakota Department of Public Safety wishes to address in the future that is not really spelled out in the Senate and House versions of the bill are motorcycle safety activities to include increased driver's licensing efforts, education of novice riders and public information education of general motorists. There is also an additional area. Increased use of occupant strengths which most of us have available to do and to target increased use of very young children.

There will be limited activity in other system support areas with prior year carryover funds for such projects to be phased out of Federal funding support to include driver and safety education; bus driver training; local and State maintenance and construction training and engineering studies; highway safety planning administration and evaluation.

I believe the problem the department of public safety would like to address now would be the funds that are designated in the Federal highway safety legislation, and tied to the budget, which we call categorical funds. These we feel are not in the best interest for

States such as South Dakota. An example of this is where there are funds, section 154 of title 123 U.S. Code, earmarked for use only in activities designed for compliance and enforcement of the 55-mile-an-hour speed limit which was originally derived through national legislation.

Another example, Bureau of Indian Affairs funds are available to Indian Reservations for implementation of highway safety projects. The Pine Ridge and Rosebud Reservations receive a small amount of these funds which are administered by the Bureau of Indian Affairs, directly for the categorized. This is not only a duplication of effort created by Washington, but results in the problems of non-reporting of traffic records for the States. Typically the reservations are involved in jurisdictional problems as well as experiencing abnormally high incidence of traffic tragedy. It is our contention there should only be one source of Federal highway safety funds to South Dakota, and that the South Dakota Department of Public Safety is more capable of managing the limited resources rather than Federal agencies at the regional and national levels such as Denver and Albuquerque.

In summary, South Dakota does not support the designation of funds that can only be utilized for activities such as bus driver training, 55-mile-per-hour compliance, or increased use of occupant restraints. We believe the funds should be made available to the State of South Dakota and the Governor and allow him the flexibility to utilize the funds in the best interest of highway safety in South Dakota.

In conclusion the South Dakota highway safety program has progressed much in the past 15 years. Our death rate per 100 million vehicle miles has dropped 36 percent from 6.50 in 1966 to 4.18 in 1980. However, there is room for improvement as the death rate was 3.33 which is close to the national average back in 1978 to 3.76 of 1979 indicating that South Dakota's rate is increasing.

It is expected that if South Dakota does receive a maximum of $505,000 in fiscal years 1982 through 1986, this results in an approximately 63-percent reduction from fiscal year 1981 level of authorization the State highway safety agency's ability to coordinate statewide highway activities will be significantly limited. We feel that as 40 percent of these Federal highway safety funds have been committed to benefit the cities and counties in the past, this cooperation and participation will be substantially affected.

We would appreciate Congress consideration of South Dakota's changing needs where direction and support for highway safety activities are needed to make our transportation system as safe as possible for our citizens and those motorists traveling through our great State. Thank you.

Senator **Abdnor**. Thank you very much. We appreciate that information. This is an important section of the legislation we are dealing with.

STATEMENT OF HOWARD GUNNERSON, EXECUTIVE DIRECTOR, RAILROAD TRANSPORTATION SAFETY DISTRICT

Mr. **Gunnerson**. I appreciate the opportunity to be heard by you today for needed congressional approval for the 12 demonstration project railroad highway crossings. The 18 demonstration projects were authorized by Congress in section 163 of the Federal Aid Highway Act of 1973, Public Law 93-87. The other six were added by Congress through other highway acts, amendments, or appropriation acts.

The intent of Congress in the demonstration project railroad highway crossings was to recognize the serious and hazardous situations which exist through the country in cities of various sizes, and to select certain cities to represent diverse types of situations encountered. The selection of Lincoln to be included in the 1973 act was influenced by the major number of dangerous railway-road conflicts within the city which were identified within the 1970 railroad transportation study. Also the Nebraska Unicameral Legislatures action in 1971 providing for the establishment of railroad transportation safety districts was brought about primarily by Lincoln's problems and the study with recommendations to resolve the major problems. Railroad relocation and consolidation along with the construction of separation structures at major railroad conflict points were advised as the best solution for Lincoln. Other selected nationwide demonstration projects planning developed sometimes similar and sometimes dissimilar solutions to resolve the conflicts.

Project planning involving the preparation of draft and final environmental impact statements along with public input through meetings and public hearings has been a very time-consuming process for the major projects. Various alternates to obtain public acceptances were developed in draft environmental statements in order that all environmental, social, economic, and historical factors could be given proper consideration. In Lincoln the draft environmental statements were prepared and a summary comparison report of alternates was prepared. Three public hearings were held in order that just and equitable analyses could be made on seven different alternates, and up to seven subalternates. The analysis in Lincoln were compounded by the increased unit coal train movements at the four at grade railroad highway crossings which have been selected for construction of separation structures. Some railroad relocation and consolidation has been accomplished which eliminated two grade crossings having high train/vehicle conflicts. The discontinuance of service by the Chicago, Rock Island, and Pacific Railroad has also influenced development of a Lincoln project concept that was acceptable by governmental and public interests.

Approximately $560 million has been authorized by various highway or surface transportation acts since 1973. Appropriations through 1981 have amounted to $112 million. At the beginning of this 1981 fiscal year, $89.5 million had been allocated to the various projects, and $53 million had been obligated for preliminary engineering, right-of-way, and construction. Earmarking of allocations to some projects, along with some additional funds being allocated to other projects, has utilized all of the past appropriated funds. A recent analysis of funds necessary in the near future for demonstration project obligations in current dollars shows a need of $92 million in fiscal 1981, $164 million in fiscal 1982, $102 million in 1983, $171 million in 1984, $84 million in 1985, and $65 million in 1986. The reason for the greatly increased demo projects funds now and in the future is due to the time required for the detailed planning studies followed by design and some right-of-way activities in the past, and now moving in to major right-of-way acquisition and construction. The demo projects construction naturally requires by far the greatest expenditure of funds, and the major projects are now moving into construction.

The foregoing analysis indicates a strong need for authorizations for the demonstration projects from the Federal-aid highway authorizations to be included in the Surface Transportation Act of 1982 or similar act. There is a corresponding requirement for annual appropriations to provide continuity in the different projects developments. A continuation of the $100 million authorization for the demonstration projects in the new Federal-aid highway bill for 1982 and for other years provided in the bill would be very beneficial to the completion of the projects as expeditiously as possible. Likewise, a similar consideration for the necessary annual appropriations would be very providential.

It is recognized that the administration and Senate proposed Federal-aid highway funding bills do not include funding for the demonstration projects, railroad/highway crossings. Elimination of the demonstration program at this time would be disastrous to those cities, counties, and States that have spent considerable effort, time, and funds in progressing the projects to their present status. The previous authorizations by Congress have recognized the need for continued demonstration projects as have all the annual appropriations except for 1 year.

Demonstration programs that have been instituted by Congress should be completed in their entirety. Those projects which can logically be completed should be funded so the federally required before and after studies can be accomplished and the entire benefit of the program realized. Elimination of the Federal funding at this time or in the future would cause hardship in the project areas due to communities expecting solutions to the problems to be implemented and completed.

All demonstration projects have been developed on the basis of providing improved public health, safety, convenience, and welfare to the communities. Those projects were warranted on merit and need and should be continued as the merit and need still exist. The need to resolve railway/highway conflicts has dramatically increased, particularly in areas of the country where changing energy requirements are involving increasing unit coal train operations. Many demo projects are affected by the unit coal train operations, and it is especially true in Lincoln, Nebr., and Lincoln will be even more affected in the future which definitely necessitates the completion of the Lincoln project.

I would urge that the forthcoming finalization of the Senate bill involving Federal-aid highway funding authorizations continue for demonstration projects railroad/highway crossing program. I would also request the 1982 Appropriation Act include funding provisions for the demonstration projects to allow further advancement of the program. Thank you, sir.

Senator **Abdnor**. Thank you, Mr. Gunnerson, we appreciate your coming all the way from Lincoln today to share your testimony with us. You are discussing some areas that we haven't had that much information on back in Washington. Safety is something that needs more and more attention. Let me say, Mr. Hanson, you bring out some good points, but many of the programs you are speaking directly to are not under our committee's jurisdiction, they come under the Commerce Committee, such as motorcycles. Not that we are not interested in them, I don't mean to suggest that at all, it is just that they guard jurisdiction very carefully down there in Washington, and what committee has what, and that is out of our area, but if there is some way we can get your information to the Commerce Committee, I will be happy to do so. We appreciate having it anyway, because we are concerned for safety. Don, in the case of the cities, how do you propose that we fund the programs if the administration bill would end after 2 years? By the addition of gasoline taxes or do the cities have other types of taxes that we haven't thought of here? We do have a problem. As you heard today some of our testimony goes both ways. Some feel that we should go the administration program and put all our funding into the interstate and the primary system and some the other way. You are a very knowledgeable person. What could be done in the way of funding to carry out these programs?

Mr. MEISNER. Well, the distribution formulas vary greatly among the States. Obviously if we are talking about State aid, it is in most cases if we lose the funds on the urban system what I would see would be deferred maintenance, because what will happen is the projects that need to be reconstructed for safety or for other purposes simply will not be done. The local priorities will be shifted with the loss of the secondary funds in many ways, city or county, ending up with a net effect of deferred maintenance and total and larger long-term costs because of that deferred maintenance. Because if we lose funds from the reconstruction or a construction project, what is happening is the funds on a priority project will probably go through a shaking out priority setting at the local level, and therefore deferring other maintenance from other streets and county roads.

Senator ABDNOR. To get the job done it is going to take dollars regardless of whether it comes from the local level or from the State level or from the Federal system?

Mr. MEISNER. That is right. We get the dichotomy now whether it be on an urban or an interstate or a secondary system. What we really need to do is develop a system. If one part of that system is gone, the system is not very good.

Senator ABDNOR. What Federal requirements do you believe add to the cost and the delay in getting Federal aid to urban system projects completed? Could we conceivably get more for our dollar by changing some of the requirements? Do you think that would add much to the economy here, I mean in making the dollar go farther?

Mr. MEISNER. Well, the nonengineering requirements have been considerable, and I believe that is where you could make the greatest improvements. The engineering portions of the programs with the assistance of the State agencies and the private contractors work relatively smoothly. The great requirement for public hearing which as indicated earlier attended mostly by other people, by other agencies, the environmental requirements in some cases are at a level which are just ludicrous, and the various requirements on all local governments of James-Bacon Act, in the larger cities where you have the design capacity to work, you could work with block grant concepts. That could work. Where the design capability is there already in-house.

Senator ABDNOR. Mr. Gunnerson, I wanted to ask you, how much would it cost to complete the demonstration project?

Mr. GUNNERSON. It would be in the range of some $800 million. On today's dollars it would be over $1 billion if you extend it out on an inflationary basis through 1988 which roughly is the timeframe that is anticipated today. There are 1982 demonstration projects throughout the country.

Senator ABDNOR. Is that the total cost or just yours?

Mr. GUNNERSON. That is the total cost of all of them.

Senator ABDNOR. That is what I was hoping. What is going to happen if the administration proposal would go through and this eventually runs out, would the State pick it up?

Mr. GUNNERSON. There are areas that cannot be brought by the State and the local government. This has been established on the basis of a need through a study done at the national level by I believe, the congressional staffs, and I admit some of these projects are quite complicated in nature, and thus they do cost money. There have been several projects that have downscoped their project in order to try and recognize the inflationary factors that you have. Lincoln is one of those projects that has been involved in that. There are some of the projects that have had very much difficulty getting off the ground due to the planning process. That is one of the things that have kept us from going as fast as we would like. The draft EIS statements, the public hearings and all this you go through in trying to get input has deferred what I would have hoped to have been the project completion activity, construction activity.

Senator ABDNOR. I am sure you have looked at the committee bill. It puts some of the safety programs more in a block. A block sum of money. How do you feel you would end up in that kind of a situation?

Mr. GUNNERSON. I think in relation to the facts you have not all States involved in this kind of a program that it would be better to carry the program as it has been established originally with the demonstration project concept for those projects established and not add any more projects to it, try to get them done, those that can be accomplished.

Senator ABDNOR. How long would it take?

Mr. GUNNERSON. Approximately through 1988 the way the program is set up today. But the funding drops off in the latter years because you are coming to some projects recognizing their completion, and other ones then going into a lesser requirement.

Senator ABDNOR. Mr. Hanson, if the administration bill passes Congress, what do you think will happen to our safety programs? Do you think the State could carry on?

Mr. HANSON. With the level of funding they tell us they have available, it will greatly curtail it.

Mr. LIEGL. I believe that will happen, particularly with South Dakota's program, it will greatly affect South Dakota's safety program?

Mr. HANSON. $582,000 for fiscal year 1982.

Senator ABDNOR. Is that all Federal?

Mr. LIEGL. That is right, there are Federal and State matching funds of several hundred thousand dollars.

Senator ABDNOR. Which one of these safety programs you work with seem to be the most cost effective?

Mr. LIEGL. I think the two biggest problems that South Dakota has and nationwide are the young driver and the drinking driver, and I think when you apply counter measures to those problem areas, you show an actual reduction in crashes or injuries severity, that is where the money should go.

Senator ABDNOR. Has that been working out quite well for you? It is a real ongoing problem I am sure.

Mr. LIEGL. South Dakota is a rural State and there are few areas in the State you could get a large enough project going that you could probably demonstrate actual impact achieved. I think we are probably doing a lot of good in awareness down at the local State level. But again just with the small population centers that South Dakota has, we just try to spread money too thinly sometimes.

Senator ABDNOR. Well, gentlemen, we thank you very, very much. Mr. Gunnerson, for coming all the way in from Nebraska, thank you. The next two panels will be testifying on behalf of highway beautification. I would just like to make a few remarks on the highway beautification issue before we call up our next panel. This act and its effects upon South Dakota have been of great concern to me, because it brings into question the most fundamental divisions of authority between the States and the Federal Government. Before 1965, outdoor advertising was regulated by the States under their police power authority in the Constitution. When the Congress of an entirely different makeup than the one we have today decided to pass the Highway Beautification Act of 1965, States like South Dakota found themselves in a very real dilemma. Tourism is our No. 2 industry, and it is very heavily dependent on billboards for its success, but to leave our billboards standing would be to violate the act and cost the State Federal aid highway funds needed to maintain the network of roads on which we are all entirely dependent. For the past 15 years South Dakota has been struggling with various forms of this billboard for tourism versus Federal funds for highway dilemma. As of January 1981, South Dakota was the only State in the Nation with a sanction pending against it under the act. It is in this atmosphere I began to work as a member of this Senate subcommittee which has the legislative authority over the law and with the Reagan administration which also has philosophical problems with the law in hopes of trying to find a solution to the problem. Now, let me point out three developments on the billboard issue so far this year. First, Senator Stafford who chairs the Environment and Public Works Committee assured me in a February 27 letter that we will be addressing the Highway Beautification Act this year in committee. Second, the National Advisory Committee on Outdoor Advertising and Motorist Information that was created by the last administration to review the act voted 13 to 11 on

June 19 to repeal the law which came as quite a surprise to a lot of us. Finally on June 24, the Federal Highway Administrator, Ray Barnhart, sent me a letter noting that due to the above mentioned circumstances, it would be reasonable for the State to delay the commencement of condemnation proceedings on these signs. Administrator Barnhart informs me that this means a 1-year reprieve for the State while the Public Works Committee considers action. It is in this view that I am seeking testimony here in South Dakota from people affected by the act. Testimony that will aid my committee in formulating meaningful reform, and I appreciate that we do have two panels here today that have shown their concern to aid in that effort by presenting their testimony, and at this time I am going to call up Kitty Kinsman of the South Dakota Glacial Lakes Association; Tom Biermeier, general manager of the Downtown Holiday Inn; and Arvid Scott, past president of the South Dakota Innkeepers Association and owner of the Westwood Motel. If you folks would please come to the front, I would appreciate it. We are very concerned about the Highway Beautification Act. It may be and we hope it is going to be considered in committee this year, and of course South Dakota has a great problem that we are faced with at this time. We also know what tourism means to South Dakota and what advertising and billboards means to our State. So, we would just like to have your thoughts on the whole thing and how you feel about where we should go from here.

STATEMENT OF TOM BIERMEIER, REPRESENTING THE DOWNTOWN HOLIDAY INN

Mr. Biermeier. I want to thank you Senator Abdnor. I am Tom Biermeier representing the Holiday Inn Downtown in Sioux Falls.

The Highway Beautification Act seems to be a criteria for future highway funding. Our signing is a necessary tool of the trade in our State's economy. This is a tourist State with a great part of our taxes being generated through tourism. We need the sign to secure our message to the tourists or a substitute. I feel that some of the services that are advertised on the Federal highway system possibly could be broken down and possibly removed. I think possibly that if we went to the highway visiting areas and as a group advertised together and gave directions coming into Sioux Falls this would be possible.

I see no relief or no substitute for the tourist attractions west in the western part of the State. I believe as a group, there would be some means if we were directed to remove all our signs, to find some other means of advertising. Our property off the Interstate System would definitely hurt without any means of advertising or giving direction.

The major problem we have at this time is the unreasonable rate increases we have been forced to pay, for our existing sign locations. Locations which cannot be changed unless another sign becomes vacant. The monopoly sign companies have already increased existing signs 3 to 400 percent on one major property in Sioux Falls, and propose to do the same to others as their contracts expire. We need some relief, either reopening opportunities for new locations or take the signs down.

Senator ABDNOR. I am sorry you have to be on the firing line by yourself. We hoped to have the other two participants. With an operation like you have here, how many signs do you think you really need to do a job?

Mr. BIERMEIER. Well, because of our geographical location within the State on I-29 and I-90 we need an awful lot of directional signs. Right at the present time this property has 12. Most of the locations in Sioux Falls have anywhere from 8 to 12.

Senator ABDNOR. That is on all four directions?

Mr. BIERMEIER. All four directions.

Senator ABDNOR. And they are all, of course, within the zoning area of the city?

Mr. BIERMEIER. At this time, right.

Senator ABDNOR. Do you think that if you were able to have other signs farther down the road, out of the zoning area, would it make much of a difference in the overall?

Mr. BIERMEIER. Not if the services that could do this such as hotels, motels, food services, not as long as they were all forced to do it together. I think it could be done possibly at the rest areas if it was done properly and we had some help with the funding.

Senator ABDNOR. Would you say, putting you on the spot maybe, the name Holiday Inn, is something that doesn't have to be advertised nearly as much as some independent private business, wouldn't that be proper in saying?

Mr. BIERMEIER. Possibly.

Senator ABDNOR. Anyone that has a name like Western or Holiday probably doesn't require as much advertising as some independent group.

Mr. BIERMEIER. It is possibly true, Senator, except 50 percent of our sign usage is for direction, and if we are not located on an interstate such as this property here, we still need directional signs. An independent sitting right on the interstate or close to it probably has more opportunity than a downtown location.

Senator ABDNOR. Are you quite familiar with the act? What kind of reforms would you like to see in the Highway Beautification Act?

Mr. BIERMEIER. I am not that familiar with it.

Senator ABDNOR. I just wondered. I realize you don't work with it, but you would be interested in more signs if you could have them, is that right? Maybe that isn't necessarily true. Do you have any strong feelings on whether you think that the program ought to be returned to the States of left in the hands of the Federal Government?

Mr. BIERMEIER. I definitely feel the program should be returned to the States. I think we would get farther with the program now, and something would be done with the situation that we are in, specially with the budgeting costs we have on the cost of our signs. Like I just stated, the monopoly that the sign companies have now, they are, you know, coming to us with unreasonable increases each year, and this is going to continue.

Senator ABDNOR. Have you had any signs removed?

Mr. BIERMEIER. Not yet.

Senator ABDNOR. Do you know of anyone that has?

Mr. BIERMEIER. Yes.

Senator ABDNOR. Have they been justly compensated for it, to your knowledge?

Mr. BIERMEIER. As far as signs being removed by whom?

Senator ABDNOR. Well, the State or the Federal, for the program?

Mr. BIERMEIER. No; I don't believe there has been any signs removed by the program, to my knowledge.

Senator ABDNOR. We appreciate your testimony, and we certainly know what advertising means to a business like you have here. We are interested in all the views of the people in this business that we can get. If you know of any additional comments you would like to make later on, we would welcome your statement. It is a big issue. South Dakota feels the effects of it probably more than a lot of other States. I guess when I think back to the number of signs that we have taken down in South Dakota in relation to other States in this Nation, we rank up near the very top.

For a long time we were No. 1 or 2 in removal of signs, and yet we are still not in compliance to this day. So, we are concerned about the overall effects. That is why we are asking for testimony on this particular subject. So, I do want to thank you, Mr. Biermeier, for your time here today. Our last panel, an old friend of mine, Verl Thomson, Billy Uthmeier, Jerry Weeden, and Duane Pankratz. Gentlemen, I know you have diverse interests here. A couple of you gentlemen are directly involved in the advertising business and others having a tourist business. So, we are very interested in hearing your testimony. Mr. Thomson, I have your statement right here so why don't you kick off.

STATEMENT OF VERL THOMSON, OWNER, TOWER TOURIST CAMP

Mr. THOMSON. Thank you very kindly Senator. May I first compliment you on the action in getting Mr. Barnhart to put a year moratorium on this. This is a tremendous step in the direction we all hope will be taken.

I am Verl Thomson, Sioux Falls, S. Dak. I own and operate the Tower Tourist Camp just off Interstate 90, exit 79 at Sioux Falls. As the title indicates on the agenda, I am also the highway signing chairman of the National Campground Owners Association of Washington, D.C. This association is supported by some 3,000 campground operators, and serving on its board I have appeared before the National Advisory Committee on Outdoor Advertising and Motorist Information and submitted testimony to that committee. They very recently are reported to have submitted their final advisory to the Federal Highway Administration with a 13-to-11 vote to repeal the Highway Beautification Act and return its control to the States. My testimony to that group is available on request. Briefly, it was to repeal the act, or open it up so that States like South Dakota can more adequately serve their influx in tourists, along with all other States similarly positioned.

As this hearing is more geared to taking testimony from South Dakotans about South Dakota problems and suggestions, I will try to blend in some of both to give as broad a setting as I can to where is this important commercial aspect of serving the huge camping public needs your understanding and help.

As with most States, South Dakota has been strangled by a Federal sign program that may fit New Jersey, but certainly not the needs of travelers in this State. As an operator of a small 45-unit campground it has been a skirmish to keep three highway signs up. One was blown down in a violent windstorm and it was supposedly illegal to rebuild it. As recently as the last 2 weeks a byproduct of this unduly restrictive signing law, a location I have had since 1963 received a bid from a firm to buy my location from the landowner. I was forced to over double the yearly payment from some $75 to $160 in the bidding. This was aptly brought out just previously by Mr. Biermeier.

As any location such as this that was grandfathered in when the Federal act passed, becomes an exclusive location creating an uncontrolled monopoly that is certainly contrary to free enterprise.

Commercial campgrounds are usually some distance off the heavily traveled highways such as interstates. Their very nature and size usually dictates this. As a result, of all the four tourist services acknowledged by government; fuel, food, lodging, and campgrounds, most are near interstate exits, leaving campgrounds more difficult for the user to find. As a result, signs are an absolute necessity to serve the public and to stay in business.

Also uniquely, there is a need to identify the services the user is looking for. Again, most gas stations, motels, and eating establishments can satisfy most travelers. Not necessarily the camper. He may need rustic facilities, the next may want most every mechanical facility, sewer, water, dump station, some may want a resort atmosphere, others special power, do they accept credit cards and which ones, needs for air-conditioners, and so on. Certainly not all campgrounds have all these. Therefore a method of reaching the traveler pointing out the availabilities ahead is vital to his convenience. Highway signs are the prime method. Alternatives such as information centers to rest stops, commercial directories, and radios are supplemental, not as effective as a sign on services how to get there. It saves gas, wear and tear on the car as well as on the inhabitants. The allowed so-called logo signs that show only the name of the facility are a help and serve a valuable service that would be much more useful with signs ahead of the exit location of the logo signs showing the campground services at that interchange. I have been one of those who pressed at that interchange. I have been one of those who pressed getting the small government accepted logo signs at our interstate exits, both in our State and nationally, and would hope the Federal plans for the future would include their 90 percent funding to assist the highway traveler, much the same as any other in the right-of-way directional sign. Also the so-called pathfinder marking signs to the location of the campground up to the mileage allowed in the State, generally 15 miles from the interstate exit.

The better we of the commercial campgrounds serve the public, the less the Federal Treasury will have to spend on government facilities, plus the savings to the traveler getting to his needs quickly and efficiently, and we are taxpayers.

If we go on the premise that the highways are built and maintained to great extent to serve the public user, then well placed informational signs are vital to the needs. Thank you.

Senator ABDNOR. Thank you, Mr. Thomson, appreciate that very much. Duane Pankratz.

STATEMENT OF DUANE PANKRATZ

Mr. PANKRATZ. Hon. Senator Abdnor, my name is Duane Pankratz, I am from Freeman, S. Dak., and my report will be dealing with the Rushmore-Borglum story, a museum and fine art gallery about the man who carved Mount Rushmore located in Keystone, S. Dak. Lincoln Borglum for 10 years tried to convince the Old West Regional Commission to appropriate funds to establish the Rushmore-Borglum memorialization of his father. He was unsuccessful and decided to auction his artifacts. I decided to keep his artifacts intact, preserved for all mankind's enjoyment, 3 miles from Mount Rushmore. The Rushmore-Borglum story is a unique cultural center. There is no museum in the country that deals with an artist in the depth that we do. Such art galleries or heritage centers almost always rely heavily upon donations and endowments as well as a healthy admission fee.

To provide this service in a profitable way, it was imperative that we obtain sufficient patronage to pay all our bills. This sufficient patronage could only be accomplished through billboard advertising.

The Rushmore-Borglum story museum containing the artifacts of the man who carved Mount Rushmore was opened in May 1979. Approximately 20 billboards were erected before July 1, the date of South Dakota's latest billboard law. That summer our attendance was less than 1 percent of the people who attended Mount Rushmore.

In our second season, in the summer of 1980 we had erected approximately 20 more billboards complying with the South Dakota billboard law. Our attendance doubled to 1.5 percent of the Mount Rushmore attendance. Another 20 billboards were erected this summer, and our attendance is at 3.3 percent of the Mount Rushmore patronage.

In a survy done in our museum in 1980, 186 of 274 people stated they came because of our billboards.

Surveys taken at the Rushmore-Borglum story last season and again this year indicate the large majority of our visitors had their curiosity aroused by our billboards. Most said that if they had not seen our billboards they probably would not have stopped.

Again this year a survey of the first 1,500 people indicate they came from 22 countries and all 50 States. There is no way that we could reach all these areas. These people see our billboards as they tour the area.

We believe the billboard law of South Dakota is fair and honest. They reflect the wishes and desires of the people of our State, although I don't believe the 1979 law would have been passed if there had not been undue pressure from the Federal Government. With the vast amount of space and open country that visitors must travel to reach Mount Rushmore, it is imperative that we do everything we can to reach them with our message before they pass us by.

Laws affecting only the people who reside in a particular State are best left in the hands of that State's legislators. You cannot pass a law that will be equitable in both South Dakota and Connecticut. For one thing, we have only 8.5 people per square mile, while they have over 300. Obviously in each case you are dealing with a different set of circumstances.

The Rushmore-Borglum story complies with the laws of South Dakota. We feel they are more than adequate and know from experience that they are rigidly enforced. It is our feeling that there are very few additional legal billboard locations left in South Dakota. Unfortunately, this precludes any other new enterprise from become established.

To force new laws, particularly Federal laws on people who neither need them nor want them is unfair, unjust and will only result in the wasting of large sums of taxpayer dollars. This is contrary to the needs of the consuming public. I would challenge all our elected officials to enforce the mandate to cut Federal spending. Not included in my written report but I would just add that as a tourist myself, when I travel, very seldom do I prepare and read ahead and write ahead for literature about the area I am moving in to, and I rely heavily on billboards and sometimes when I have been past an area I find that I have missed many things if billboards weren't available.

Senator ABDNOR. Thank you very much. Billy.

STATEMENT OF BILLY J. UTHMEIER, MANAGING PARTNER, SOUTH DAKOTA ADVERTISING CO.

Mr. UTHMEIER. My name is J. Billy Uthmeier, I am the managing partner of South Dakota Advertising, an outdoor advertising company operating in two-thirds of the State of South Dakota. South Dakota Advertising services the majority of the markets in South Dakota with the exemption of the Sioux Falls and Rapid City areas. My partner, William J. Uthmeier, also my father, lives in Marshfield, Wis., and is involved in the advertising and entertainment business. The Uthmeier family has been in the advertising business in Wisconsin for over 60 years.

Senator Abdnor and fellow Senate committee members, I would like to thank you for giving me the opportunity to testify today. We in the standardized outdoor advertising medium are as concerned about the Highway Beautification Act as the rest of the citizens of South Dakota are. In the past, outdoor advertising has taken many forms. Today it is a highly disciplined, tightly regulated, standardized medium. Outdoor advertising should not be confused with the random size signs that are scattered around the countryside. Many of these signs are put up by small commercial sign companies or individual business owners. I am supplying you with a booklet called "The First Medium" which further explains outdoor advertising. All standardized outdoor advertising is subject to local, State, and Federal laws governing sign placement. Outdoor advertising is also subject to self-regulation through a strict Outdoor Advertising Association of America Code.

We purchased South Dakota Advertising last August 1, 1980. We became interested in purchasing an outdoor advertising company in South Dakota because we felt there was a strong need for a good, professional outdoor operation in the State. There were several inadequate companies, including the one we purchased, that were not taking care of our servicing the potential local and national advertisers. We feel South Dakota is both a beautiful and prosperous State with business people who desire and need billboard advertising.

I am happy to say we have been very pleased with the results of the business thus far. Sales have been tremendous on both the local and national level. In addition, there are many advertisers that are now making plans to incorporate South Dakota billboard advertising in their 1982 budgets. More businesses today are realizing the value of billboard advertising. It is an extremely economic and successful way to display goods and services to the public. Public service and community organizations also benefit from outdoor. We have donated space this year to the South Dakota Art Foundation, chapters of the Future Farmers of America, Prudential Association, National Blood Bank Association, Federal Energy Commission, local YMCA's, the National Chiropractic Association, and the United Negro College Fund. That one is not too big out here in South Dakota.

I personally invested a sizable amount of capital when I purchased this business. In addition, during these last 11 months, South Dakota Advertising has invested a tremendous amount of time and money toward the remodeling and improvement of the entire operation around the State. The company's plans call for continuing this upgrading program for the next several years. Our goal is to supply South Dakota with a standardized outdoor advertising company of which the State can be proud. If you check with the various Department of Transportation offices and individual city building inspectors, you will find the South Dakota Advertising is not only interested in building new structures, but is also concerned with proper zoning, spacing, size, and appearance.

I would like to close by saying that we are proud to be associated with the State of South Dakota. We will be more than happy to cooperate with the State, but we do desire and expect to be treated fairly. We expect to be justly compensated for any relocation of existing structures that may occur as a result of any changes in the law. There is currently information available concerning Federal compensation guidelines that other States have followed. Thank you.

Senate **Abdnor**. Thank you Billy, we appreciate your testimony and happy to have you in South Dakota. Jerry Weeden.

STATEMENT OF JERRY WEEDEN, KOA CAMPGROUND, MITCHELL, S. DAK.

Mr. **Weeden**. My name is Jerry Weeden, I have the Mitchell KOA Campground in Mitchell, S. Dak. and I appreciate the opportunity to testify.

Our experience it that 65 percent of our business is derived from billboard advertising. Suppose there were no Corn Palace signs on I-90, would the Corn Palace have the attendance that it has? It is doubtful that many travelers would know that it exists or where it is at. The traveler needs to know about this interesting, artistic place. Billboards have played a great deal in bringing people into Mitchell to see the Corn Palace. The same goes for campgrounds. People looking for lodging do not want to flounder around, wasting expensive gasoline and time. They need to know what services are available. Billboards are the most effective way to do this.

Most billboards give directions on how far it is to a certain place. They are vital to the welfare of the traveling public. They are vital to the success of businesses offering these services. Many travelers will tell us how interesting the billboards are, how a board can be seen and enjoyed at a certain exit. They tell us that it helps keep them awake and the children occupied reading the signs along the lonely stretches of Interstate I-90. Above all, the traveler knows by reading the billboards what his options are. They know where they are going by reading billboards. They know what they can do, they can be doing to more enjoy their journey into and through our State. The tourism division expends thousands of dollars to entice people into the State and rightfully so, being the States second largest industry. It is sheer folly to deny the traveler and the business the benefits that billboards offer once the traveler has entered our State. Thank you.

Senator ABDNOR. Thank you, we appreciate that very much. I do have a few questions. Let me ask you, Billy, in your professional end of this, what kind of reforms of the Highway Beautification Act would you recommend or support?

Mr. UTHMEIER. I think a lot of times it is not so much problems with where the structures are, but a lot of times you have business people that maybe work through a local commercial sign company, buy a sign and it is put up and it is fine for several years, eventually down the line the sign starts falling over, it needs painting or something, the local business owns the sign, but at that time maybe they don't have the thousand dollars or whatever it costs to remodel the sign and upgrade it and repaint it. So, it keeps falling over more, gets worse and worse, the local sign company doesn't own it, the business people no longer want it.

So, I think the State should have some type of a system, I think, where they can say to a company or a personal business owner, your signs do not meet our standards or your sign does not look professional. You have got so long to improve it or take it down or something, or we will have to take the necessary action.

I think the outdoor advertising industry in a sense has hurt itself over the years because there hasn't been enough policing of it, and I think the whole key in our business, we found out in our first 11 months, is if you have got a quality product, you keep it looking good and you service the people, the sales are going to follow, and I don't think we in the standardized outdoor medium are totally responsible for a lot of the poor looking signs you see around the countryside today. I am not saying we have been totally, 100 percent honest on the thing, but that I don't think we are to blame for a lot of the problems.

Senator ABDNOR. We have come a long way in that sort of thing. The other three gentleman are directly involved in businesses that rely on billboards, what kind of reforms would you like to see Verl?

Mr. THOMSON. If we were to keep the national instead of repealing it you mean?

Senator ABDNOR. Yes.

Mr. THOMSON. I think the first thing is the zoning as to the interpretation of the Federal law. The Federal law is written in such a way that the State has the priority in the zoning but that was never allowed because of a decision made after the law had been passed, and the Congress never saw fit to go back and repeal that. As a result, it has been an administrative act on the part of the highway department that would not allow what the law says it can allow, and that is the State to be the final arbiter of where signs care to go up. Now, were that to be allowed, then the Federal law would be a great deal more workable because the State could handle its own signs where it sees fit, and we are back as to whether the same law applies in New Jersey as it does in South Dakota as to what zoning is fit. So, that would be the first and foremost change if the Federal stays, would be that zoning where the State has more authority.

Senator ABDNOR. Would you like to see the bill put in the hands of the State entirely?

Mr. THOMSON. Oh, yes. I hope it will eventually be put back in the control of the State, because the State knows then what it is best suited for. I think we are back again to where the commercial people in the State can work with their legislators and be again heard and best utilize the facility.

Senator ABDNOR. You said you have three billboards, didn't you?

Mr. THOMSON. Yes, I have only three.

Senator ABDNOR. If you had a chance, would you put more of them up?

Mr. THOMSON. Yes, one of the recommendations of the National Advisory Counsel, and I assume is in that vote, and I haven't seen the reports yet, but after they had studied it and heard all the testimony and with high grade testimony as you well know from all over the Nation from 24 members, was that a business should have three directional signs each direction on the highway in order to begin to adequately serve that purpose, and I believe that is true. That would wind up then if you are 4 directions, like we are here, you would wind up with 12 signs.

Senator ABDNOR. In other words, you feel your business has been directly hurt by the lack of it?

Mr. THOMSON. Yes, it is. It is hurt now, because I have only these limited number of signs and no way of putting up more.

Senator ABDNOR. Duane, your testimony certainly alludes to the fact that business grows as the signs increased the percentage. Was it more than enough to offset the advertising so it really paid in added people coming into your business. How you found 20 spots each year, you must have searched out every available area possible. You feel that it certainly does pay to do the advertising?

Mr. PANKRATZ. Very definitely in my particular case, that is why I gave you the statistics in relation to Mount Rushmore. If you ever wanted to figure the attendance that way, you could figure it back on what Mount Rushmore has and determine a value for each person attending. Undoubtedly in my particular case it has been profitable, and I don't know what I am going to, you know, experience in linear increase should I find more billboards. Actually in my particular business, I have got many, many more dollars invested than it ever costs to even build Mount Rushmore. Do I need more billboards? I won't know. Probably until the end of this year, but certainly I want to some day pay back the expenses of the investment if possible, although like I say, it is going to be a benefit to mankind just to have the attraction available, and possibly we won't do that.

Senator **Abdnor**. Then the fact remains if you could have more signs you would like to have more right now? I mean you don't think you have saturated?

Mr. **Pankratz**. I do need a few more signs to the south and a few more signs to the north in relation to the Black Hills there. I would certainly need some in Wyoming which I don't have any at this particular time.

Senator **Abdnor**. Do your favor returning this to the State?

Mr. **Pankratz**. Yes, for the same reasons. That is that we would have a chance to express our opinions to our legislators as these laws are being formulated. If our particular law, a State wants to have billboards removed, we will have an equal voice with the people that are concerned about the beauty of the countryside, and it will be more of a democratic decision as to whether South Dakota should have the billboards removed.

Senator **Abdnor**. You really think if they let everybody put up the signs for the most part the way they need them or want them in the more congested areas, that you could keep the beauty of the environment, or do you think no matter who has it, there is going to have to be some limitations and restrictions?

Mr. **Pankratz**. I think signs today are more attractive than they were 20 years ago. I think a poor quality sign is an indication of the quality of your business, and we have also polled some of the tourists as they come through asking if they would like to see more signs. We have very, very few people that ever indicated any feeling toward that they weren't really observing the beauty of the countryside. In fact, I think as you drive across from Sioux Falls to Rapid City, you will soon have plenty of the beauty that you see in between, and that, you know, a few more billboards in between there is actually going to be an enjoyment to the tourists. I don't think they are going to want to see more of the beauty that there is between here and there.

Senator **Abdnor**. Jerry, would you care to make a comment on the sign business? Would you too care to see it in the hands of the State?

Mr. **Weeden**. Definitely, but I see a lot of them between here and Mitchell that should come down. There are two of them that the businesses aren't even in South Dakota any more, they are still standing half up. Some you can't tell what they are any more. There should be a standard set on them.

Senator **Abdnor**. All of you feel there should be some standard in quality?

Mr. **Weeden**. Definitely.

Mr. **Thomson**. I think the scenic areas should be protected, that is one of the key phrases, that word scenic area could be well controlled and handled.

Mr. **Weeden**. At KOA we have proof that 65 to 70 percent of our business comes from billboards. On our registration they have to put down how they found us and why, you know, highway signs or what else.

Senator **Abdnor**. Billy, we deal with a lot of people in the outdoor advertising business in Washington. You have an Outdoor National Advertising Association. Do you feel those necessarily deteriorate with your business, you directed the whole billboard advertising companies throughout the company, their tie up, that service would still be very necessary with many businesses would it not? You don't think they would all go to building their own signs?

Mr. **Uthmeier**. No, it is the same thing like we go to an insurance company for insurance because we feel they know the insurance business better than we do, and they can do it better even though we might be able to save a few dollars. A lot of companies will say to us take care of it and propose to us what we should have. In a lot of cases we deal with local advertisers in towns that we do billboard advertising for, and they do own some of their own signs. So, if they can get their own location and want to put up a painted sign, that is fine for us, we will approach them on possibly running some 30-day showings on advertising some products they carry in their stores. Could I comment on a couple more?

Senator **Abdnor**. Yes.

Mr. **Uthmeier**. One of the gentlemen talked about signs that were coming down that had no longer been in South Dakota. That is what I was talking about, people that had left the State or no longer had money to paint the signs. Second, when I talk about beautification, I think in many States it has eliminated the areas in the States that billboards can be located. So, what happens is say there is one little area every 20 miles that the State says you can put billboards in there. All of the sudden every company is fighting for that one little area so you have billboard after billboard for like that half-a-mile stretch, and you don't have any more billboards where they are not permitted. I think what that starts resulting in is where the area is zoned OK, you have got the cluttered look. You have got maybe 10 or 12 billboards in a row, but then you don't have any more the next 10, 20 miles. So, I think if there were more areas zoned for billboards and maybe stiffer spacing requirements, you would have more spacing and wouldn't have that cluttered look with one billboard on top of another.

Senator **Abdnor**. Good, that is the sort of thing you could work out with States, where it is different in every State. Every time I take a trip down south of Washington along the coast through some of those States, I wonder if they ever heard of billboard controls, but I guess it is because of the congestion and the population, it is all zoned so they can put it up, but there you really realize what a violent stretch of billboards is like. It is really overdone.

Mr. **Uthmeier**. A good example of that is east of Mitchell. We deal with billboards pretty much in the cities, we are not a company that deals too much with paints out on the interstates. Like outside of Mitchell there is some billboards out there, there is some people that have their own signs out there. Businesses put up some signs, all of the sudden you have got billboard after billboards, where I think it could be done better stretched over more miles with proper spacing, the people would have the locations they need, but you wouldn't have that effect of one billboard on top of another.

Senator **Abdnor**. Thank you. I thank you all. We will recess the meeting for today, tomorrow we are having our session in Rapid City and I think we will hear more on outdoor advertising again because that is a good subject out there. We really appreciate everyone's attendance today and your testimony, and again let me reassure you that it is important that you have taken the time to do it, because this input will go directly to the committee staff in Washington and the members, and it means an awful lot to us, and I wanted the South Dakota people who didn't have a chance to be able to express themselves and have the committee staff hear what the problems are. So, I appreciate it very much, and we hope we have just as good a hearing in Rapid City tomorrow, thank you.

Mr. **Thomson**. You have asked our opinion, may I ask one of you, do you think the Stafford bill has a good change of passage?

Senator **Abdnor**. Some form of it I think. I don't know whether he is going to get it done this year. I am going to push him all I can now, because we have the 1 year reprieve now. I think it is safe to say he wants to do it. It is a matter of time down there, I know it is hard to realize, no faster than we move, how it looks back there. We have one big committee room there, I am subcommittee chairman on water trying to get as much time as I can, we are talking about the users fee on inland water fees, the deep water seaports, a whole new program of procedure and standards that have got to be put together. They are working on the wastewater and this highway bill. Senator Stafford himself has taken over the Clean Air Act this year, and he is doing it with the full committee. It is just a matter of time, and we are going to do whatever we can do. The biggest detriment to getting this bill passed is getting it worked into all the legislation and bills that are up before us. I have an added incentive, Mr. Barnhart gave us a reprieve of 1 more year. I know Mr. Stafford is for it. I just hope we had the committee rooms for our committee and we could do a lot more.

Mr. **Thomson**. You said some forum. Is there any other forum for returning it back to the States?

Senator **Abdnor**. Unless you do away with it altogether, it is either that or modifying the Federal. Apparently our chairman feels strongly at this time, at least, about returning it to the States. That is what he is working for. He had a bill similar to it last year, and he is just working that one over now whenever he gets the chance. Clean air has taken up an awful lot of our time.

Mr. **Pankratz**. Again I would like to suggest possibly running some kind of a survey maybe in South Dakota at our rest stops, or some of our rest stops, a short survey by the people giving out the information asking our tourists traveling our highways do they find our billboard offensive, do they find them helpful, do they find them entertaining, and if the survey comes out like our survey has at the Rushmore-Borglum story, I think you will find that people finding billboards offensive or harming the beauty of the countryside are less than 10 percent.

Senator **Abdnor**. The one thing I might say on that, it would have been different probably at the time this billboard and the outdoor advertising bill was put into effect. A lot of the more offensive billboards have come down. How many did we take in this State, 20,000, over 20,000? Maybe half of them could be put back, but the ones that come out were the ones you were speaking of, the businesses that are not even around anymore. I don't know, but we have come a long way, but now maybe the pendulum ought to go back to the other way to some reasonable commonsense on what is tasteful and needed to help. After all, the businesses have to survive.

Mr. **Thomson**. I think Senator, too, that he perhaps does not have it because he is more recent, but you remember our legislature appropriated $30,000 4 years ago for just such a study as he is mentioning, and that study came out very much in favor along the lines he is mentioning. That of all the thousands of interviews that were held, very few objected to billboards and most said they found them very useful.

Senator **Abdnor**. That is encouraging. I had forgotten that too.

Mr. **Uthmeier**. When you talk about costs of billboards, we operate between the smaller markets and the larger ones like Mitchell and Aberdeen, 70-some markets, our costs for 30-day showings or monthly costs range from $97.50 a month to $150. I guess our average cost would probably be around $120, $125 a month. The thing I found in dealing with these people is that very few people have objected that they thought it was too costly, because today advertisers will pay $300, $400 for a single ad in a newspaper. I am not trying to bring newspaper or radio or anything else, I am saying when you take a 30-day exposure say an average of $125 a month, you take an interstate, $4 a day to reach all that circulation, I don't think that is all that expensive.

Senator **Abdnor**. I will be interested to know, tomorrow, at least in our morning session, we have at least four panels, including Mr. Berby and Flynn and Newman who you know in the business, it is going to be a very interesting session. Mr. Hustead will be there. Thank you; the hearing will be adjourned.

[Whereupon, the hearing was adjourned to reconvene at the call of the Chair.]

[Statements submitted for the record follow:]

SOUTH DAKOTA DEPARTMENT OF TRANSPORTATION
TESTIMONY ON
FEDERAL-AID HIGHWAY PROGRAM NEEDS IN SOUTH DAKOTA

I am Wallace Larsen, Director of the Division of Administration of the South Dakota Department of Transportation. On behalf of the Department of Transportation, I would like to extend our appreciation to Senator Abdnor for affording us the opportunity to testify on the Federal-Aid Highway Program needs in South Dakota.

We believe this hearing is particularly important because it comes at a time when the role of the Federal Government vis-a-vis the states is being critically reviewed. Congressional action in the next few months will define the future federal-state partnership in highways and may well govern the future of our nation's highway system.

It is our firm hope that the testimony which is given today will serve to aid the Senate Transportation Subcommittee in their deliberation on the highway bills before them.

In South Dakota, the outlook for highways is not encouraging. Events of the past few years and the prospects for the future are causing concern within our Department of Transportation. Our highways and highway programs are the object of many interacting forces which have created new and complex problems. The forces about which we are concerned include increased fuel prices, increased non-capital costs and deteriorating highway system. Inflation has escalated costs of highway construction and maintenance while revenues derived from an inflexible tax base have stagnated. The combined effects of these factors results in fewer real dollars being spent for highway improvement. The reduction in real capital investment is certain to reduce highway performance. These problems and their solutions are central to the testimony which I am giving today.

INTERSTATE SYSTEM

Any discussion of the Interstate System and Interstate needs must be addressed on two levels. One level of discussion must center on the completion of the system while the other must address the preservation of the system which has been built and is in need of major repair.

In 1956, when the Interstate program began, it was estimated that the system could be completed by 1972 at a cost of less than $40 billion. The program has now continued for almost 25 years and while 94 percent of the system is serving traffic, there still remains an estimated cost of $53.8 billion to fully complete the system. It is generally recognized that under present funding levels, completion of the Interstate as currently defined is an unachieveable goal. Both the Administration's bill and the Subcommitte's bill are cognizant of the need to redefine the term "completion" and both bills do provide that new definition for Interstate completion. The Administration's bill, however, proposes to eliminate the guaranteed minimum one-half of one percent apportionment for Interstate completion.

It should be recognized that with the inception of the Interstate program over 20 years ago, South Dakota, as well as other states, deferred construction of federal-aid primary and secondary highway projects to shift state funds to the Interstate project. Now, two decades later, South Dakota is still deferring primary and secondary projects in order to complete the Interstate. We also find that we are faced with accruing restoration costs on the Interstate System.

The priority given to the Interstate System has had a negative impact on our other highways. These impacts include:

1. Primary and secondary highway projects were deferred at a time when construction costs were low. We are now faced with making necessary improvements when costs are high.

2. The Interstate program continues to move along toward completion of the system in South Dakota, causing additional projects to be deferred.

3. The cost of restoring the Interstate looms ahead which places additional burdens on the state funding resources.

4. The construction cost index has climbed from the 1967 base of 100 to 293.3. In other words, what cost $1 in 1967 now costs nearly $3.

To help compensate for today's extremely high construction cost for both those projects deferred during the construction of the Interstate highways and for those Interstate projects currently underway, South Dakota strongly encourages the continuation of the minimum allocation of one-half of one percent of the Federal-Aid Interstate funds in the completion and 4R categories. We also strongly urge that transferability of those Interstate funds to other federal-aid systems be allowed. This will permit the shifting of some Interstate funds toward reducing the accrued backlog on other systems. We are in general agreement on the Subcommittee's proposal on Interstate completion.

A second area of concern to South Dakota with respect to the Interstate is the preservation of the system which has been built and is approaching the end of its designated service life. In South Dakota, while we strive to complete the Interstate system, we find we are faced with accrued Interstate restoration costs which are two-thirds as large as our original interstate cost estimate. Both legislative bills recognize the need for an expanded preservation effort and proposed Interstate 4R Programs. While the Subcommittee's proposal for Interstate 4R and the Administration's are basically similar, there is a difference in the method of apportioning 4R funds. The Administration's proposal would guarantee a minimum of one-half of one percent and apportion the remaining funds based on 50 percent lane miles and 50 percent vehicle miles traveled. The Subcommittee proposal would guarantee one-half of one percent and apportion funds according to the formula of 60 percent lane miles and 40 percent vehicle miles traveled.

Both proposals utilize vehicle miles of travel as part of the apportionment formula. We strongly disagree with this approach. One heavy truck creates thousands of times the damage that one compact car does. This method treats them as equals. The more miles of travel on a highway, the greater the local revenue generated through the state use taxes and therefore the need for federal aid is less rather than greater.

In our state expansive soils, together with extreme temperature ranges, contribute substantially to highway deterioration, regardless of traffic volume. Over time, the highway surface ages through oxidation and other chemical deterioration, again without any relationship to travel on the highway. We therefore prefer a formula for distribution of 4R funds in which vehicle miles of travel is not a factor. If inclusion is necessary, we urge that other factors be included, or that vehicle miles of travel be given minimal weighting in the formula in order to offset the disadvantages that small rural states inherently have. The Subcommittee's proposal places greater emphasis upon lane miles which would provide greater financial support to rural states and would be the more acceptable choice between the two bills under consideration.

REHABILITATION NEEDS OF THE EXISTING FEDERAL-AID SYSTEM

In order to place the magnitude of our highway needs in proper perspective, I want to make a brief reference to our state highway revenues. South Dakota has a 13 cent per gallon motor fuel tax which is our principal source of revenue. We also have a 3 percent initial tax on new or previously unregistered vehicles and annual license fees for all types of vehicles. Revenues from all state sources dedicated to highway use for FY 1981 will total $72,600,000.

In 1979, South Dakota implemented a computerized highway needs analysis and project analysis system. With this system, we can perpetually monitor backlog needs, accrue data on highway deficiencies and make alternative improvement cost comparisons. Based on the lowered design standards which we have adopted for reasons of economy in highway construction work, we find that we have a backlog of needs of $226 million on the 976 miles of Federal-Aid Primary highways and another $141 million of backlog needs on the 765 miles of State significant Federal-Aid Secondary highways. The use of lowered design standards has reduced the overall backlog of needs by about $135 million compared to needs calculated using our previous design standards.

The use of lowered design standards has resulted in greater emphasis on resurfacing of highways rather than reconstruction. While this practice has reduced the rate of surface deterioration, other needs continue to accumulate. Resurfacing prolongs the service life of a highway and improves the surface condition, but it generally does not correct safety hazards created by narrow surface widths, poor grade lines and poor horizontal alignment. The longer that we continue this practice, the greater the backlog of highways that will require major reconstruction. For every 3 inch overlay we place on a road surface, we also narrow the surface by 2 feet. At some point, we must recognize that we cannot further narrow the highway and must then reconstruct it. The longer we delay the reconstruction, the higher the cost will be.

Needs also extend to the 12 small urban areas, one urbanized area and part of a tri-state urbanized area in South Dakota. These areas have 354 miles of streets and roads on their Federal-Aid Urban Systems, plus 1,045 miles of local streets. We do not have detailed needs estimates for the Federal-Aid Urban System at this time, but in working with the cities on their urban construction programs, it is evident that a major portion of this system needs resurfacing, rehabilitation or reconstruction. Compared to rural highways, construction of urban streets with their appurtenances is extremely expensive. It has been only a few years that small urban areas have shared in the Federal-Aid Urban Systems fund. During this short period, we have found great enthusiasm and concern on the part of local governments in the economical utilization of federal-aid funds. We recommend that full consideration be given to the benefits of this program and that small urban areas continue to share in the urban program funds. The fiscal impact of discontinuing the federal aid to these cities under S. 841 would be severe. We support the provisions of S. 1024 which would assure continued urban funding for at least 5 years.

CATEGORY CONSOLIDATION

State transportation officials almost unanimously agree that there are too many federal-aid categories. In addition, restrictions have been imposed on the use of many of these funds to the extent that states cannot adapt to their own changing, and often unique, needs. We generally approve of the efforts of this committee toward reduction of the number of funding categories as contained in S. 1024. However, we recommend that a feature of the Federal-Aid Highway Program ought to enable the states to more freely transfer funds from one category to another. We favor consolidation of the rural programs, but there should be no drastic reduction in the over-all federal-aid system. We urge that federal-aid funding include those roads which make up a part of the nation's interconnected system of highways which are of national interest. It is in the national interest to continue to include in the federal-aid system the primary and secondary highways of our rural states which perform as an integral part of the highway network connecting the food producing areas of the nation with the high consuming metropolitan areas and the export terminals serving the rest of the world. If we are to continue to improve the international trade balance through increased sales of our agricultural products to the Soviet Union and the emerging markets in the Orient we must have adequate transportation systems over which to move these products.

With South Dakota geographically located in the central region of the United States, our arterial highways attract a very high percent of heavy vehicles serving trips with both the origin point and designation outside the state border. Our highways form a link to the major corridor from the Pacific Northwest to Chicago and other eastern markets. While this heavy truck traffic causes the greatest damage to the highway facility, South Dakota receives very little revenue and no direct benefit. If South Dakota is to provide the highways to allow this traffic to flow through our state, we must receive federal funding over and above our ability to generate those federal revenues. Otherwise, the lumber flowing from the Pacific northwest to the Chicago area will need to find an alternate route.

If we are to continue to provide for the free movement of people and goods over our highways, we must provide for the continued existence of highway programs and systems. As a minimum level of support, we recommend that our primary, secondary and urban programs be funded at the same amount as at present, but adjusted for the effects of inflation.

BRIDGE PROGRAM

A major concern of South Dakota and many other states is the increasing number of structurally deficient and functionally obsolete bridges. In South Dakota, there are 2,767 bridges on the Federal-Aid Systems and 4,471 bridges on the Off-System roads. Of these 7,238 bridges, there are 210 bridges which are currently deficient or obsolete on Federal-Aid Systems and 953 deficient or obsolete bridges on Off-Systems Roads. In addition, there are 242 Federal-Aid System bridges and 430 Off-System bridges with a remaining life of less than 10 years. This total does not include bridge widening needs and deck replacement needs. The improvement costs for these bridge needs, excluding the Interstate system, are estimated to be as follows:

(See next page)

	FA System	Off-System
Deficient and Obsolete Bridges	$ 47,302,000	$125,599,000
Less than 10 Years Remaining Life	47,457,000	50,699,000
Bridge Widening	57,205,000	5,163,000
Deck Replacement	7,563,000	385,000
	$159,527,000	$181,846,000

Since South Dakota will only generate approximately $72.6 million in total state revenues for highways this fiscal year, it is obvious that we do not have the revenue generating capabilities to keep all our bridges in service. The cost of structure replacement is extremely high and beyond state and local funding capabilities. Without the necessary bridges, a roadway segment cannot remain in service. It is, therefore, vital that funding continue to be made available for the replacement and rehabilitation of our nation's bridges.

We support the Subcommittee's proposal which would weight On-System bridges more heavily than Off-System bridges. We also believe that the 4-year availability of funds will promote greater efficiency in planning and programming of bridge projects.

A special bridge problem in South Dakota, which must also be addressed, is the Forest City Bridge west of Gettysburg on U.S. Highway 212. The Forest City Bridge was originally funded by the U.S. Army Corps of Engineers and was a replacement structure required because of Oahe Dam impoundment waters. The bridge is threatened by a large active landslide. Although a substantial monetary repair investment has been made to this bridge in recent years, the structural integrity of the bridge and its southern approach roadway are rapidly failing. Our cost estimates for the stabilization of the Forest City landslide are in excess of $10 million. South Dakota's bridge replacement apportionment for FY 1981 repair projects is only $4,231,452. Due to earlier repair projects, the current FHWA sufficiency rating of this structure is 41. The structure is neither structurally deficient nor functionally obsolete to the point that it will qualify for bridge replacement funds. However, because the condition that creates the threat of catastrophic failure of this structure is unique and could not be anticipated in the creation of the formula to determine eligibility for funding, we request that the Forest City Bridge be considered by the Transportation Subcommittee for funding under the Secretary's discretionary bridge program.

THE APPROPRIATE FEDERAL ROLE IN THE SECONDARY, URBAN AND SAFETY PROGRAMS

As previously stated, we favor consolidation and reduction in number of the many federal-aid funding categories. We would, however, be reluctant to see a reduction in funding levels accompanying such consolidation. S. 1024 retains urban and rural programs but changes their description. The present Federal-Aid Secondary and Urban Systems would be redesignated as programs for funding purposes. We have no objections to this change. We prefer that funding for both programs be continued using a single block grant approach.

We are all concerned about the cutbacks in safety funds under S. 841 as well as the termination of secondary and urban system funding in FY 1983. We realize that by eliminating secondary, urban and safety funds, S. 841 does generate additional revenue for the remaining programs. However, the bill transfers fiscal responsibility for the terminated programs to the states which must find new revenues to support them. In a rural state such as South Dakota, we will have a very serious problem in attempting to do this.

There will be strong opposition to tax increases at any level in South Dakota. There are utterings of protest against property taxes and the state general sales tax. Our gasoline tax is currently five cents per gallon higher than the neighboring states of Wyoming and North Dakota and four cents higher than Montana. These states impose high severance taxes on their coal and oil production, generating revenues for the operation of their state governments including highway needs. When South Dakota citizens consume the power generated from their coal we are, in effect, paying part of the cost of these states governments including their highway improvements. Further, because they are able to generate these funds in this manner rather than by raising other taxes, South Dakota encounters difficulties in raising its own taxes because doing so gives an advantage to the neighboring state's business enterprises. To illustrate this point, a gas station on our border with Wyoming cannot survive a differential in gas tax of much more than five cents per gallon. Imposing a federal gas tax with redistribution to the states would serve to equalize these differences among the states. I will return to the subject of federal gas tax in the next section of my presentation. I want to emphasize that a phase-out of federal participation in the secondary, urban and safety programs under existing conditions would impose real hardship on South Dakota.

HIGHWAY FINANCE

A final issue not on the agenda but which must be addressed is the level of highway finance. At some point we must face the need for added highway finance and the generation of sufficient revenues to make necessary highway improvements. Although the two major highway bills reaffirm the longstanding federal-state partnership in highways, neither bill provides the increased funding necessary to address our many critical highway needs. We must not deceive ourselves into believing that by cutting and trimming the federal highway budget we will cut or trim our highway needs. Deferring necessary repairs does not lower highway costs. On the contrary, as necessary repairs are deferred, the ultimate cost of repair will exceed original costs sometimes by two or three times. If a roadway is neglected for too long, the highway may require complete reconstruction. This fact, coupled with the effects of inflation, makes the deferrment of necessary repairs a costly proposition.

In today's world where each area of society has become dependent on another, all areas of society should share in the support of those highways that provide the inter-connecting life lines. The highway trust fund approach has proven to be a successful tool for distributing this burden that would otherwise be disproportionately placed on agricultural states and states providing the highway linkage between states. This becomes most evident when one observes statistics relative to the plains states. South Dakota ranks second after North Dakota as having the highest number of miles of streets and highways per capita. This, in combination with the fact that U.S. Department of Commerce figures for 1977 show South Dakota as ranking 47th among the states in income per capita, demonstrates the inequities of shifting responsibilities of arterial and major collector highways to the local sector.

The states cannot handle the increased cost burdens of maintaining our nation's highways without additional federal assistance. In South Dakota, the problem we face is that the total administration, maintenance and operating costs in 1981 are equal to 55% of the state derived highway revenue. By 1990, assuming present rates of taxation and an annual increase in these costs of 7.5, 6.2 and 8 percent, respectively, they will equal 90 percent of the state derived highway revenue. This will leave 10 percent of the state's highway revenue for construction. By 1990, highway construction costs are anticipated to inflate 250 percent. This situation will leave South Dakota without the ability to hold our system at anywhere near its current level of service.

It should be noted that the Federal Motor Fuel Tax has not been increased for over 20 years. As a result, federal funding for highways is insufficient to fund current needs. The failure to address the funding issue is setting the stage for a severe transportation crisis in the near future. We urge Congress to consider increasing the motor fuel tax or find some new or additional source of revenue so that our nation's highway needs may be addressed.

We would ask that while Congress considers the physical needs of our highways, they also consider appropriate measures for financing the necessary highway improvements.

Thank you.

****

SOUTH DAKOTA

Testimony on Size & Weight

Historically, the regulation of the size and weight of vehicles using the highways has been the responsibility of the individual states. An exception to the states' overall authority is the preemptive federal law, 23 USC Section 127, which governs maximum vehicle weight and width limitations on the Interstate.

Direct Federal intervention with weight and width limitations was first introduced in the Federal-Aid Highway Act of 1956. The Act provided for a 96 inch width limitation and weight limitation of 18,000 pounds on a single axle; 32,000 pounds on a tandem axle; and 73,280 pounds gross weight. It should be noted that these limitations were permissive in nature--they did not preempt the state's rights to establish lower limits, and they applied only to the Interstate System. In addition, a grandfather clause was included in the Act, which was designed to permit the 25 states with limits already greater than those specified in the Act to retain those limits. These were primarily axle-load limits in states east of the Mississippi.

In establishing the limits provided in the 1956 Act, Congress directed a study be made for the purpose of determining future maximum desirable standards for vehicles operating on the Federal-aid Systems. The study was completed in 1964 and published as House Document No. 354, _Maximum Desirable Dimensions and Weights of Vehicles Operated on the Federal-aid Systems_. The central changes recommended were a raise in the single axle weight to 20,000 pounds, the tandem axle weight to 34,000 pounds, and a maximum gross weight to be determined by the use of a formula relying on the number of axles of the vehicle and the distance between the extreme axle of the group measured longitudinally to the nearest foot. This is the so-called bridge formula.

The significant feature of this recommendation was that the maximum gross weight would not be capped arbitrarily.

The report remained dormant until the energy crisis prompted by the oil embargo of 1973. In 1975, Congress consented to a modest increase in the axle weight provisions of Section 127, adopted the bridge formula, but rejected the recommendation that no maximum weight be established, and set 80,000 pounds as the upper limit.

Although Section 127 has established a national maximum weight and width limitation for the Interstate System, it has not prevented states from establishing limits less than the Federal maximum. As a result, ten states have established maximum weight limits of less than 80,000 pounds. These states for the most part are located in a mid-country tier stretching from Lake Michigan to the Gulf of Mexico. These states are often referred to as "barrier states" as they have posed unnecessary barriers to Interstate Commerce. It is a recognized fact that non-uniform gross weight limits have presented artifical barriers to energy efficiency and productively in the distribution of our nation's goods.

We do not believe that Interstate highways, funded with 90% Federal monies, should be subject to unreasonably low state gross weight limits which require wasteful unloading, reloading, dropping of trailers or circuitous routing.

Section 127 should be written in such a manner as to establish a uniform floor to the maximum weights that may be set by the various states. This action would improve vehicle and driver productivity and reduce the costs of the distribution of goods. We believe maximum gross weight limits should not be restricted to less than 80,000 pounds. In addition, the width requirement of 23 USC Section 127 is an unnecessary intervention into state responsibility.

As a practical matter, states currently control vehicle widths through their own laws and the use of overwidth permit systems. The federal requirement is therefore redundant and serves no useful purpose. We therefore favor elimination of any width restrictions in the Federal Code.

A further consideration which should be addressed in order to promote greater efficency in freight movements over the Interstate System is the question of truck length. Legal truck lengths in the fifty states vary from 55 feet to 85 feet. Currently Federal statute does not address the subject of truck length. As a result, in the interstate transportation of goods, truckers must either use a vehicle which, when loaded, meets the size and weight limitations imposed by the most restrictive of the states traversed, or the truckers must change the vehicle before crossing the border of more restrictive states. We propose that the Federal Code incorporate a provision which sets a maximum floor for vehicle lengths of 80 feet over the Interstate. A copy of our proposed amendment to Section 127 is attached to this testimony.

I think it should be stated that we are not unmindful of the many concerns over truck size and weight. These concerns include the effects of dimension and weight increases on pavement life, bridges, geometric requirements, highway costs, and public safety. However, the basic fact that 40 states currently allow gross weights of 80,000 pounds should serve to negate the basic concerns of the barrier states. The only way for uniformity to be practically achieved is for some states to change their current laws and regulations; in fact, to become more lenient. The simpliest way to achieve this uniformity would be for the Federal Government to establish a uniform floor of 80,000 pounds for the Interstate.

We believe the bridge formula provides the necessary protection of our pavement structure and that our interstate bridges will not be adversely impacted by gross loads in excess of 80,000 pounds. Further, we believe the states should be free to exceed 80,000 pounds provided that an analysis of the long span structures on that state's Interstate routes indicate the structure will not be adversely impacted.

We believe basic uniformity does not require all states to have the same laws and regulations regarding motor vehicle sizes and weights. Instead, most of the advantages associated with uniformity can be obtained if all states, within their laws and regulations, will provide for free interstate movement of those vehicle configurations and size and weights shown to produce significant cost savings without commensurate disadvantages. If a state wishes to provide for another movement, important to it and confined within its borders, it should be outside the sphere of uniformity concern.

UNITED STATES CODE, TITLE 23: HIGHWAYS

Proposed amendment to Section 127

§ 127. Vehicle weight ~~and width~~ limitations -- Interstate System.

No funds authorized to be appropriated for any fiscal year under section 108(b) of the Federal-Aid Highway Act of 1956 shall be apportioned to any State within the boundaries of which the Interstate System may lawfully be used by vehicles with weight in excess of twenty thousand pounds carried on any one axle, including all enforcement tolerances; or with a tandem axle weight in excess of thirty-four thousand pounds, including all enforcement tolerances; or with an overall gross weight on a group of two or more consecutive axles produced by application of the following formula:

$$W = 500\left(\frac{LN}{N-1} + 12N + 36\right)$$

where W= overall gross weight on any group of two or more consecutive axles to the nearest 500 pounds, L= distance in feet between the extreme of any group of two or more consecutive axles, and N= number of axles in group under consideration, except that two consecutive sets of tandem axles may carry a gross load of 34,000 pounds each providing the overall distance between the first and last axles of such consecutive sets of tandem axles is thirty-six feet or more: Provided, That such overall gross weight ~~may not exceed~~ shall not be restricted to a maximum of less than eighty thousand pounds, including all enforcement tolerances and that the overall gross length shall not be restricted to a maximum of less than eighty feet.~~or with a width in excess of ninety-six inches, or the corresponding maximum-weights or maximum widths permitted for vehicles using the public highways of such State under laws or regulations established by appropriate State authority in effect on July 1, 1956, except in the case of the overall gross weight of any group of two or more consecutive axles, on the date of enactment of the Federal-Aid Highway Amendments of 1974, whichever is the greater.~~ Any amount which is withheld from apportionment to any State pursuant to the foregoing provisions shall lapse. This section shall not be construed to deny apportionment to any State allowing the operation within such State of any vehicles or combinations thereof that could be lawfully operated within such State on July 1, 1956, except in the case of the overall gross weight of any group of two or more consecutive axles, on the date of enactment of the Federal-Aid Highway Amendments of 1974. With respect to the State of Hawaii, laws or regulations in effect on February 1, 1960, shall be applicable for the purposes of this section in lieu of those in effect on July 1, 1956. ~~Notwithstanding any limitation relating to vehicle widths contained in this section, a State may permit any bus having-a width of 102 inches or less to operate on any lane of 12 feet or more in width on the Interstate System.~~

Insertions into existing statute are indicated by underscores.

Deletions from existing statute are indicated by ~~overstrikes~~.

SOUTH Dakota
Department of Agriculture
OFFICE OF THE SECRETARY
Anderson Building, Pierre, South Dakota 57501
Phone 605/773-3375

Rodger H. Pearson
Secretary of Agriculture
STATE OF SOUTH DAKOTA

SOUTH DAKOTA DEPARTMENT OF AGRICULTURE TESTIMONY
on
FEDERAL-AID HIGHWAY PROGRAM NEEDS IN SOUTH DAKOTA

I am Rodger Pearson, South Dakota Secretary of Agriculture. On behalf of the Department of Agriculture I thank Senator Abdnor for this opportunity to testify on the Federal-Aid Highway Program.

South Dakota produces nine major grain crops (corn, oats, wheat, barley, soybeans, sunflowers, flax, rye, sorghum) totalling 320 to 465 million bushels annually; approximately 40 percent of the production is used on the farms where produced. Consequently, 200 to 275 million bushels are transported from the farm. Depending on the quantity of grains produced and the transportation available, 25 to 50 percent of the grain sold off farm will be transported out of the state by rail. That means 60 percent of South Dakota's annual grain production must use secondary roads to reach markets at other farms or area elevators and at least a third moves into interstate commerce on primary roads. As a result, South Dakota or North Dakota farmers, farthest from major markets, usually vie for the lowest grain prices in the nation.

Although only about ten percent of South Dakota's annual hay crop is placed into the commercial market and transported on primary highways, secondary roads are relied upon to get most of the five to seven million tons of hay in place for winter feeding.

South Dakota's cash farm income has averaged about $2.3 billion the past few years. Over 70 percent of our farm income comes from the sale of livestock and products. Since no live cattle, hogs, sheep, milk, honey, eggs or other livestock products move by rail due to their perishability, trucks are the only way to market.

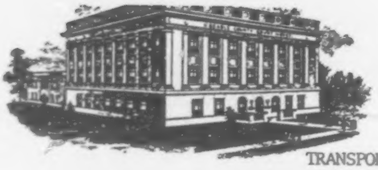
Agriculture in America is no longer a "hand to mouth" situation like many areas of the world. Because our farmers are the most productive in the world, much of our produce is distributed to developed and developing nations. South Dakota's share of agricultural exports totalled $687 million in 1980. All exports products began their trip on farm to market roads, on to primary roads or the interstate system, and on to terminals or ports. Highways are the veins that keep farmers produce flowing and the routes of the South Dakota and American economy.

As roads deteriorate, truck maintenance increases dramatically; as bridges sag into obsolescence, routes to market become longer. These problems do not just hurt the farmer, they inflate the price of food on the American table and erode our agricultural competitiveness in the world market.

I have briefly discussed the flow of goods in one direction. American farming is ever increasingly a two way route. South Dakota farmers are not only farthest from major markets, ports or population centers, but they are the end of the road for necessary input commodities like fuel, lubricants, fertilizer, chemicals, salt, minerals, equipment, parts and vehicles. Consequently, our farmers must pay top dollar to get necessary inputs and take bottom dollar for goods produced. In this dilemma of national economic frustrations, our farmers are not asking for new paved or concrete roads, but they want and need good repair on the existing system.

I have discussed the necessity of our road network and implied the need for federally subsidized maintenance which, of course, requires some source of tax revenue. But one area where changes are needed without tax increases is the standardization of interstate trucking weights and lengths. States should be free to make regulations regarding the movement of commodities like hay or exceptional over weight or over width vehicles peculiar to a state or region. But a state or a few states should not be allowed to regulate interstate commerce by imposing arbitrary weight and width limits of less than the national limits. In reality, a few states from the Gulf of Mexico to the Great Lakes are imposing non-tariff barriers on interstate commerce -- an act prohibited by the U. S. Constitution. U. S. Congress, not the states, has power under Article I, Section 8, part 3 of the Constitution, "To regulate commerce ...among the several states...." Federal regulation should change such state implied roadblocks of interstate commerce.

I thank you for this opportunity to address highway transportation issues and relay South Dakota's agricultural highway needs.



BOARD OF COUNTY COMMISSIONERS
BEADLE COUNTY, SOUTH DAKOTA

TRANSPORTATION SUBCOMMITTEE

Mr. Chairman and members of the committee. I wish to thank you for granting me time to give testimony. I'm Jerry Micheel, Beadle County Commissioner, Huron, South Dakota, and President of the South Dakota Association of County Commissioners. The two areas I'm concerned about are Federal Aid Secondary (FAS) and Bridge Replacement Monies.

South Dakota has received about $79,250,000.00 of FAS funds since 1951. These funds have helped develop a system of roads and bridges linking our farms, ranches, and small towns to the main roads in the state. I would like to speak in more detail about Beadle County of which I'm familiar.

In Beadle County we have about 2264 miles of roads, 512 miles are maintained totally by the county and 247 miles are designated FAS roads which have been built by county and FAS funds. The remaining miles are township roads and state and federal highways. Of the 247 miles of FAS designated roads 27 projects have been completed with FAS funds totaling 2.9 million dollars including federal and county matched dollars. These monies have been used in oiling roads, bridge constructions, and road construction. All of these roads are links to marketing and retail centers. Good all weather roads have reduced the distance people must travel to reach their marketing centers or the interstate system and main highways.

In Beadle County for an average over the last 30 years 1 mill of tax levy will raise about $100,000.00. With a 2 mill limit we have on special highway and bridge reserve funding we have had the potential of raising 6 million dollars for special projects since 1951. It becomes readily apparent that the $1,728,589.00 of FAS funds that Beadle County has received has been a real means of finance for our road projects. With FAS funds we have been able to increase our construction projects by a third. With various means of funding county, state, and federal, we have been able to provide our tax payers a road system that is adequate and that they can afford. If it wasn't for the FAS program in the past we would have few oil roads and three of the James River bridges would not have been replaced.

I strongly urge you to continue the Federal Aid Secondary Program as it is at present, beyond the fiscal year 1983. FAS is an important means of funds for funding the road system in South Dakota. Without good farm-to-market roads South Dakota's economy will suffer. It won't be just the farmer and the rancher but small towns and everyone in the state.

The Bridge Replacement Program is also a vital program to our counties. Federal Law stated that "all bridges must have been inspected by January 1, 1981". Many of these bridges are old and did not meet specifications. As trucks and equipment are becoming larger, they are exceeding the capacity of our bridges. Without Federal help it is impossible for counties to build bridges over major rivers and strams. We have just completed a structure over the James River at a cost of $455,000.00 for just the bridge. Adding cost of engineering, land acquisition and other costs the cost of the project was over ½million dollars. If it wasn't for the Federal Bridge Replacement funds it would take us at least 4 years to caaumulate funds to build this project. While accumulating the funds we would have had to neglect other areas of our highway systems and in reality, our highway system would have deteriorated. Also, when government mandates inspection, I feel, government has some financial responsibility to correct the deficiencies.

I want again to thank you for your interest and reiterate that the Federal Aid Secondary Program of funding has worked in South Dakota and is needed for the future of the state economy. Construction of roads and bridges have been a probelm and will continue to be a problem, but if we work together at all levels of government we can achieve progress in this area.

STATEMENT OF DONALD M. MEISNER
DIRECTOR, SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL
TO THE SUBCOMMITTEE ON TRANSPORTATION
SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
SIOUX FALLS, SOUTH DAKOTA, June 29, 1981

Senator Symms, Chairman

Senator Symms, Senator Abdnor and Members of the Subcommittee:

I am Don Meisner, Director of the Siouxland Interstate Metropolitan Planning Council (SIMPCO). SIMPCO is supported by 51 local governments in Northwest Iowa, Southeast South Dakota and Northeast Nebraska. Founded in 1965, we have a professional staff of 20 persons educated, trained, and experienced in the fields of transportation, public administration, business administration, economics, engineering and the social sciences.

We perform transportation planning in the Siouxland Region for streets, highways, bridges, urban transit, rural transit, airports, rail services, and navigation.

Most local governments in the Midwest are at or near their statutory budget limits. The Federal Aid Urban and Secondary Road Systems are vital to the provision of a surface transportation system necessary to move our goods and people. In Sioux City, Iowa, the Federal Aid Urban System program is used to reconstruct deteriorated streets, thereby reducing maintenance costs, increase the capacity of streets to eliminate congestion, improve safety for motorists and pedestrians, and provide access to commercial and industrial developments. The Secondary System funds are utilized to provide connections from the primary system to local systems and to maintain the farm-to-market system.

Local governments do not have the power to add additional taxes to offset the possible loss from these two programs. On the contrary, we are losing the battle to keep our transportation systems in an acceptable state of repair. Allocations to the cities and counties from the State Road Use tax fund have declined over the past years. The State Legislatures have not been willing to allow cities the ability to implement local option taxes, inflation has greatly reduced local resources. Local tax bases have not kept pace with inflation rates, thereby reducing the actual value of local property taxes collected.

In the case of Sioux City, approximately $440,000 of FAU funds have been received annually. Approximately $1,500,000 is needed annually for resurfacing to protect the existing investment in the streets. This needed maintenance is being deferred in most years due to the lack of revenue.

The concept of raising and spending funds locally for local projects is reasonable and desirable. Capacity and authority, however, do not now exist. Therefore, Senate Bill (S.1024) is the favored option. It would be highly desirable if the funding levels could be increased during any phase-in.

We generally favor the S.1024 proposals for the interstate system. We agree with the addition of the 4R and suggest that the apportionment formula remain as is until a definitive study can be completed to measure probable impacts of possible changes. Interstate Age and vehicle class factors would seem to be important for 4R apportionment consideration.

We must do a good job of intermodal transportation planning at all levels. Energy costs, personal mobility for all, system efficiency and transportation costs are critical to the wellbeing of the nation. The amount of money from the trust fund for planning should be increased from the existing one-half of 1% to three-quarters of 1%.

We believe the primary system is important to the movement of the nation's state of repair. Allocations to the cities and counties from the State Road Use tax fund have declined over the past years. The State Legislatures have not been willing to allow cities the ability to implement local option taxes, inflation has greatly reduced local resources. Local tax bases have not kept pace with inflation rates, thereby reducing the actual value of local property taxes collected.

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We believe the primary system is important to the movement of the nation's commerce and should therefore should be funded at adequate levels. The bridge program is also of considerable national importance.

It appears to us that the Appalachian Development Highways are a matter of regional development, and therefore inappropriate for highway trust fund consideration.

In summary, the movement toward local determination and control is desirable, but must be tempered with the realities of lack of authority and capacity. It appears that Senate Bill S.1024 is the superior option with the exceptions noted earlier.

Don Meisner

Minnesota
Department of Transportation
Transportation Building
St. Paul, Minnesota 55155

Office of Commissioner
(612) 296-3000

June 24, 1981

Honorable James Abdnor
United States Senator
Box 873
Sioux Falls, South Dakota 57101

Dear Senator Abdnor:

Thank you for the kind invitation to testify before the Transportation Subcommittee of the Senate Committee on Environment and Public Works at the hearing scheduled in Sioux Falls on June 29.

I regret that I will be unable to attend. I would ask however, that the attached written statement be entered into the hearings record. The opportunity to more precisely define the Federal role in transportation, increase program flexibility and insure that vital transportation needs are met, are responsibilities facing the 97th Congress. I hope that the attached testimony will assist you and the Subcommittee in its deliberations.

Thank you again for the opportunity to testify.

Sincerely,

for Richard P. Braun
Commissioner

Attachment

An Equal Opportunity Employer

TESTIMONY BEFORE THE

SUBCOMMITTEE ON TRANSPORTATION

SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
RELATING TO
NEW FEDERAL-AID HIGHWAY LEGISLATION

By

RICHARD P. BRAUN
COMMISSIONER

MINNESOTA DEPARTMENT OF TRANSPORTATION

June 29, 1981

Mr. Chairman and members of the Subcommittee, I am pleased to have this opportunity to testify on the future of the Federal-Aid Highway Program.

I am Richard P. Braun, Commissioner of the Minnesota Department of Transportation (Mn/DOT). While the suggestions and concerns I will express are based on a "Minnesota perspective" and speak to the needs of the State as I perceive them, I believe they are of equal relevance and importance to the nation as a whole.

First of all, I would like to mention those aspects of proposed Federal legislation which we support and which we believe are vital to the future of the nation's transportation system:

1. Continuation of the Highway Trust Fund

   The Federal government has a continuing vital role to play in highway transportation. The user supported concept embodied in the Highway Trust Fund is the most equitable approach for funding a national highway transportation system. The fund should be indexed to protect against inflation.

2. Completion of the Interstate System

   The goal of Interstate completion by the deadline established in the 1978 Surface Transportation Act is desirable. Funding levels should be increased as necessary to allow realization of this goal.

3. Expanded Interstate "4R" Program

   The increased funding proposed for "4R" activities is vitally needed as the nationwide Interstate system continues to deteriorate.

4. Continuation of the Federal-Aid Primary Program

   The Primary System, as the Interstate System, comprises the vital "backbone" national highway system and as such, should continue to be viewed as a primary Federal responsibility.

5. Continuation of the Federal Bridge Program

   Bridge rehabilitation and replacement continues to be a major national concern impacting all road systems. State resources are inadequate to meet the very substantial needs without a sizeable continuing Federal assistance program.

The following are areas of special concern in proposed Federal-Aid highway legislation. I would respectfully request that the Committee carefully consider the following potential problem areas, in meeting national highway transportation goals:

1. Interstate Construction
   a) Obligation Ceilings

      The obligation ceiling proposed for F.Y. 1982, if continued at similar levels in future years, will not allow us to place remaining uncompleted Interstate segments under contract by the cutoff date of September 30, 1986, even after possible withdrawals of "non-essential" segments.

   b) Apportionments

      Apportionments to the various states should be increased to reflect the latest Section 104(b) study results.

c) Definition of "under construction"

In order to more easily meet the September 30, 1986 deadline, an Interstate segment should be defined as "under construction" upon letting of the first contract.

d) Diversion of "4R" funds

The deletion of certain key items such as rest areas, noise walls, safety improvements and high occupancy vehicle lanes on completed sections, pedestrian bridges, etc., from Interstate funding would severely tax the proposed enlarged 4R program. Our needs for basic 4R maintenance are great and the proposed funding would not cover all of these items.

e) "Demap" provisions

The authority to allow the Secretary of Transportation to remove from the system segments that he considers non-essential (i.e., the so called "de-map" provision) takes away the prerogative now available to the local units of government and the Governor. We don't think this is good.

2. Passage of a Multi-Year Highway Bill This Session

A multi-year highway bill should be passed this session because:

a) Congressional action is needed to authorize further distribution of Interstate funds.

b) Interstate "3R" funding under current legislation is inadequate

c) Budgeting constraints may increase next session if target goals are exceed in legislation passed this session.

d) A multi-year bill is needed to allow efficient budgetary and project planning to proceed at the state level.

Mr. Chairman and members of the Subcommittee, I would like to again thank you for the opportunity to testify. I know that members of the Subcommittee are dedicated to the preservation of the nation's highway system, a vital link in maintaining a competitive national economy in today's world.

CITY OF DICKINSON
P O BOX 1037
DICKINSON, NORTH DAKOTA 58601
PHONE (701) 225-6765

June 22, 1981

A E BAUMGARTNER, PRESIDENT
COMMISSIONERS
TERRY ASKIN
ERNEST BAILEY
LAVERN JESSEN
ROBERT BAIRD

Senator James Abnor
Committee on Environment and Public Works
United State Senate
Washington, D.C.

Honorable Senator Abnor:

RE Federal-aid Highway Program

The West is being called upon to have its resources of oil, natural gas and coal developed and used for the benefit of the entire nation. There is a direct correlation between energy development and a transportation network which has not been recognized by the Federal government or any of its agencies.

The predominately agricultural-based economy of the West has not needed the number nor the standard of roads and structures that are required by the energy developing industries. From the first activities of seismographing in remote, ecologically fragile areas; the transporting of hazardous chemicals and explosives; and the 104,000 pound weight of drilling or work-over rigs is only of concern to the local counties and small communities. Without the present level of Federal assistance, local units of government do not have the financial capabilities to accommodate such industrial traffic needs.

In the communities facing a six to eight percent annual growth rate, the local taxpayer is called upon to fund additional schools, law enforcement officers, health department officials, fire fighters and all other service personnel. Any change in the present matching ratio for the vitally needed urban program would cause additional hardships to local budgets. There are no programs available to assist areas that are impacted because of national energy needs: the Federal-aid Highway Program is the only one that gives any support.

This Committee of the United States Senate is urged to see the relationship between the energy developments and a transportation network. If energy exploration is about to start in another region; hopefully, the problems that developed in other areas can be alleviated if Congress will recognize the type of roads and city streets that are needed by these new industries in the Western rural States.

Respectfully,

A. E. Baumgartner

A.E. Baumgarther, President
Board of City Commissioners
Dickinson, North Dakota

sms

GRANT COUNTY SOUTH DAKOTA

OFFICE OF COUNTY AUDITOR
MILBANK, SOUTH DAKOTA 57252

June 26, 1981

Honorable Jim Abdnor
United States Senate
Washington, D.C. 20510

Dear Jim:

The Grant County Commissioners welcome the opportunity to attend the Hearing regarding the Federal-aid Highway program needs in South Dakota.

Our foremost interest is in number two(2) and number four(4). We have 150 miles of Federal-aid roads in Grant County and feel a need for assistance in order to relieve the local tax load. The total number of bridges on the program is 130. These have been inspected three times and many repairs and replacements have been recommended. We feel the total cost could be reduced by 1/3 to ½ if the Federal guide lines and regulations were not so stiff.

Thank you for this opportunity to be heard.

Sincerely,

Milton Fischer
Chairman
Grant County Commissioners

JACK RABBIT LINES
301 NORTH DAKOTA AVENUE
SIOUX FALLS, SOUTH DAKOTA 57102
605-336-0885

June 23, 1981

HIGHWAY TESTIMONY

My name is Scott Lovaasen. I am employed by Jack Rabbit Lines whose home office is located at 301 North Dakota Avenue in Sioux Falls, South Dakota. My testimony today is in regard to the deteriorating conditions of the interstate highway system as well as the secondary highways in the State of South Dakota.

Jack Rabbit Lines is the major bus line serving South Dakota. We run approximately 5700 route miles daily. Of the 5700 miles approximately 4500 miles are run on South Dakota highways. In addition to the regular route miles we travel well over 1,000 miles per day on South Dakota highways with our charter bus operation.

Needless to say a good viable highway system is essential to our business and to the many thousands of people we serve each year.

Bus travel in South Dakota is now, for many communities, the only means of public transportation available, and with the threat of the existing commercial air service wanting to pull out of South Dakota, the bus could very well be the only means of public transportation within the state.

With greater demands being put on the buses in the state as well as the private car, I feel the highway systems must be properly maintained and in some cases rebuilt. We are in a period of time in this state's history when the highway system of the state should have their budgets expanded rather than cut back.

Attached is a map of South Dakota on which I have highlited the highways where our buses run on a daily basis. These highways are, of course, our main concern.

Some of the highways in our route system that need immediate attention are as follows:

US Highway 14 between Brookings and Rapid City. This is one of our main East-West routes which served over 28,000 passengers last year. There are many sections of this highway that have

JACK RABBIT LINES

CHARTER SERVICE — PACKAGE EXPRESS

② To Lee S.
From SF

been improved but on the other side of the coin there are still many sections that badly need rebuilding.

US Highway 12 and 212 are two more East-West routes that need rebuilding.

Both our North-South I-29 and East-West I-90 interstate highways are beginning to show wear. Because it has taken such a long time to construct I-29, which still is not complete, parts of this highway between Sioux Falls and Sioux City are in great need of repair. While the section north of Watertown is brand new.

I know there are many, many more highways in this state that need repair and I'm sure your studies show which ones they are.

I would like to close this statement by saying what I said earlier and that is when a state such as ours is threatened by the loss of almost all its commercial air service, and has no railroad system to speak of any more, we have to depend on our buses, trucks, and our private cars to move our people and freight. In order for this state to remain linked up with the rest of the nation we must have a truly sound highway system.

Sincerely,

Scott Lovaasen
Operations Manager

SL/djw

FEDERAL-AID HIGHWAY ACT OF 1981

TUESDAY, JUNE 30, 1981

U.S. Senate,
Committee on Environment and Public Works,
Subcommittee on Transportation,
Rapid City, S. Dak.

The subcommittee met at the Rushmore Plaza Civic Center, Hon. James Abdnor presiding.

OPENING STATEMENT OF HON. JAMES ABDNOR, U.S. SENATOR FROM THE STATE OF SOUTH DAKOTA

Senator Abdnor. We will call the Subcommittee on Transportation of the Environment and Public Works Committee to order.

I am very happy to see you all here and looking forward to hearing from the witnesses who are with us today.

As you know, this is our second day of hearings. We had a very fine hearing in Sioux Falls yesterday with many witnesses that we wanted to hear from for input into this new highway authorization bill that is now up for consideration. In Sioux Falls most of the testimony was on the bill itself and I am sure today we are going to hear a lot of discussion on highway beautification.

I would like to tell you a little bit about the Subcommittee on Transportation under which I serve.

We have just concluded some hearings in Washington on the Federal aid highway program, and while I know it is impossible for everyone out in South Dakota to come to Washington to present their views, I felt it was worth while to bring the committee staff out here to hear your testimony.

Both the Department of Transportation and the private sector have recently completed studies assessing the condition of our highway system and its long-term needs, and I thought some of you might be interested in knowing the results of these studies which show that our highway system is deteriorating at an alarming rate. And, according to the Department of Transportation needs study over 10 percent of the interstate system needs major rehabilitation right now and over 90 percent of the primary system in rural areas will need resurfacing in the next 15 years, and 95 percent of the secondary system will need reconstructing during the next 15 years. They estimate it will take $33 billion to replace or rehabilitate all the deficient bridges in this country. Now, our highway needs are increasing rapidly at a time when revenues into the highway trust fund are decreasing and inflation is eating away at the program, with the construction industry experiencing inflation rates approaching 20 percent per year over the last few years.

Over the past 10 years the cost of maintaining a mile of road has increased over 110 percent and the cost of constructing or reconstructing a mile of road has increased over 190 percent. At the same time revenues into the highway trust fund are decreasing due to several factors which include more fuel efficient vehicles and less travel because of higher fuel costs.

During the past 2 years, payments out of the trust fund have exceeded revenues into the fund and the States are experiencing, as you know, similar revenue problems. No one wants their taxes increased, at least that is the message we seem to be hearing throughout the country, and the people made it clear they want Federal spending reduced. So, I do not believe that there will be a Federal gas tax increase in the near future.

With the interstate system nearly complete and the highway dollars not going so far as it used to, where should the Federal investments be directed?

South Dakota has almost finished its interstate system. Its needs are now in the area of rehabilitating and maintaining its primary and secondary roads and bridges.

I recently consponsored S. 1024 which is now before the subcommitte. This legislation would expedite completion of the interstate system. It retains the minimum one-half of 1 percent interstate construction apportionment for States like South Dakota. I believe these states who need an early commitment to finishing the interstate often at the expense of their other roads should not be penalized now that they have pledged their portion.

This has happened in some States where they didn't complete their interstates, as we did, and placed their money at that time in other sources. This legislation also directs the Federal investment to rehabilitation and reconstruction of the existing interstate system by adding a 4-R reconstruction to the current 3-R program and dramatically increase the funding.

The primary and bridge programs are also very important and have been working well.

I know the State is very concerned about its bridges, particularly those on county roads, and our legislation continues to make funds available for both off-system and on-system bridges.

The administration and its legislative proposals for highways ends Federal participation in the urban and secondary programs after fiscal year 1983. Our subcommittee bill keeps these programs through fiscal year 1986.

While these roads are more of a State and local interest, I believe it is not a good idea for the Federal Government to pull out so quickly. The States will need time for their legislators to raise additional money and to put their own programs in place.

The Federal Government is asking the States and the localities to take over many responsibilities right now and we have to give them a reasonable amount of time.

South Dakota recently raised its State gasoline tax in order to take care of existing Federal highway needs and I do not believe we can expect them to take on additional responsibilities that quickly. If the Federal Government is going to provide less, we must also be committed to reducing Federal requirements and redtape. The States should have the maximum flexibility to design projects that address their unique situation. Rural States, like ours should not have to design its roads and bridges according to the same requirements as for a heavily populated area and our legislature is attempting to provide that kind of flexibility.

The highway network is extremely important to South Dakota. Farm-to-market roads are the backbone of an agricultural State and as our rail services decrease the highways are the primary means of moving our commodities. They are just as vital in providing mobility for the people in the State where mass transit is often not available, and I am her to listen to testimony in that regard.

I am going to burden you for a moment more to tell you these hearings in Rapid City are also on the Highway Beautification Act, because most of the impact of this act are felt by the visitors and small businessman of the Black Hills region. This act and its effects upon South Dakota have been of great concern to me because it brings into question the most fundamental definition of authority between the States and the Federal Government.

Before 1965 outdoor advertising was regulated by the States under their police power authority in the Constitution. Congress—an entirely different makeup than the one we have today—decided to pass the Highway Beautification Act in 1965. States like South Dakota found themselves in a very, very real dilemma.

Tourism is our No. 2 industry and it is very heavily dependent upon billboards for its success. But, to leave our billboards standing would be to violate the act and cost the State Federal aid highway funds needed to maintain the network of roads which we are extremely dependent on.

For the past 15 years South Dakota has been struggling with various forms of this billboard act: For tourism versus Federal funds for highways.

As of January 1981 South Dakota was the only State in the Nation with a sanction pending against it. Under this atmosphere I began to work as a member of the Senate subcommittee which has legislative authority over the law and is the Reagan administration which also has philosophical problems with the law to find a solution to this problem.

Let me point out three developments under the billboard issue so far this year: First, Senator Stafford who chairs the Environment and Public Works Committee, the overall chairman, assured me in a February 27 letter that we will be addressing the Highway Beautification Act this year in committee. The only thing that has slowed it down so far has been the overload of legislation like the Highway Authorization Act, the Clean Water Act, that has to be taken care of, and also, of course, the Clean Air Act, which is being taken up by the entire committee and will occupy that committee room almost entirely. So, hopefully before the end of the year we can get started on a new Highway Beautification Act.

Second, the National Advisory Committee on Outdoor Advertising and Motorist Information was created by the last administration to review the act, voted 13 to 11 on June 19 to repeal the law. That is very significant, I think, and finally on June 14 the Federal Highway Administrator, Ray Barnhart, sent me a letter noting that due to the above mentioned circumstances it would be reasonable for the State to delay the commitment of condemnation proceedings on these signs. Administrator Barnhart informs me that this means a 1-year reprieve for the State while my committee studies action.

In this view I am here seeking testimony in Rapid City from people like you that are affected by the act, and the testimony will aid my committee in formulating meaningful reform. I appreciate that each of you has shown the concern to aid in that effort by presenting testimony at the hearing. Let me assure all of you that everything in your written testimony will be presented to the committee. It will be very meaningful, so we do appreciate your being here.

I have two letters addressed to me from the Governor of South Dakota which I will place at this point in the record.

[The letters referred to follow:]

STATE OF SOUTH DAKOTA
EXECUTIVE OFFICE

WILLIAM J JANKLOW
GOVERNOR

July 2, 1981

The Honorable James Abdnor
United States Senator
4241 Dirksen Senate Office Building
Washington, D. C. 20510

Dear Jim:

Thank you very much for inviting me to present testimony on South Dakota's highway needs at your hearings in Sioux Falls and Rapid City on June 29 and 30. I'm sorry I could not attend the meetings, but I hope that Wally Larsen from the Department of Transportation did a good job of representing our oral and written testimony. Your hard work and many hours of extra effort are very much appreciated by the citizens of South Dakota and me. You did an excellent job of addressing the highway needs of rural states when you introduced Senate Bill 1024. Although Wally Larsen will present a more detailed analysis of our highway needs, I want to briefly list our major concerns:

1. Billboards - we support the repeal of the Federal Highway Beautification Act. As a minimum we request major revisions to the present Act.
2. Interstate Completion - we strongly urge the retention of the guaranteed minimum one half of one percent apportionment for interstate completion.
3. Interstate 4R - we favor the apportionment formula based on sixty percent lane miles and forty percent vehicle miles.
4. Secondary and Urban Systems - we urge the retention of these systems within the program level as proposed in S.1024.
5. Bridge Program - we support a continuation of the Bridge Replacement and Rehabilitation Program. We believe the four year availability of funds is necessary to promote efficiency in planning and programming of projects.
6. The Department of Transportation is also concerned that federal funding be made available for correction of the Forest City bridge problem, since this problem is the direct result of the Oahe Impoundment, a federal action.

I hope your hearings were informative and productive. If you need any more information, or if I can be of any further assistance to you, please let me know.

Sincerely yours,

William J. Janklow

WJJ:jj

STATE OF SOUTH DAKOTA
EXECUTIVE OFFICE

WILLIAM J JANKLOW
GOVERNOR

April 10, 1981

The Honorable James Abdnor
United States Senator
4241 Dirksen Senate Office Building
Washington, D. C. 20510

Dear Jim:

I am writing to you to express my deep concern over the continuing control exercised by the Federal Government over the states under the present Federal Highway Beautification Act (23 USC 131). In the past, I have actively supported and encouraged the repeal of this Act because it has been an intrusion by the Federal Government on the rights reserved to the states, and it has been arbitrarily and capriciously enforced by the Federal Highway Administration.

The requirement of the federal law that the state regulate and control land use within sight of the federal interstate and primary highways is an effort to violate and circumvent the Tenth Amendment to the United States Constitution and give effect to a federal power in an area reserved exclusively to the states, i.e., land use control. I cannot believe the founding fathers of this nation ever envisioned a federal statute forcing the states to undertake a constitutionally prohibited action under the threat of loss of federal funds.

No federal law in my experience has caused more unnecessary controversy and divisiveness than the federal billboard control laws. In South Dakota it has set the tourism industry against the highway construction industry. It has set the East River section of the state against the West River section.

South Dakota at the outset of this program in 1966 had in excess of 25,000 signs. There are now approximately 5,000 nonconforming signs remaining adjacent to our interstate and primary systems. According to national figures compiled by the U.S. Department of Transportation, South Dakota ranks near the top of all states in sign removal. Nevertheless, we have had highway funds sanctioned for noncompliance. No other state has had the penalty imposed in the manner in which it was in South Dakota, even though a number of other states have barely removed any signs whatsoever. Rural states have been discriminated against under the existing federal beautification law. While other states with megapolis extending into megapolis and with mile upon mile of industrial and commercial activities are hardly affected by the law which exempts signs located in industrial and commercially zoned areas. South Dakota and other rural states do not have the industrial or commercial activity to support any signing. In effect, all rural signing is totally eliminated under the present federal law.

The resulting economic hardship on South Dakota and similar states is without justification in law or in fact. Study after study has shown that the only effective means of advertising of goods and services necessary to the traveling public is so-called lead-in outdoor advertising. That is, a number of signs advertising the goods or services facing the same direction of travel and spaced over reasonable intervals on a route leading to the place of business. No other effective means of relaying information to the traveling public who are by and large strangers to the area being traveled has been developed.

As you well know, tourism is a vital industry in South Dakota. The tourism businesses by and large are located in the smaller communities adjacent to the interstate and primary systems throughout western South Dakota. Oftentimes, these tourism businesses are the major or sole economic mainstay of these small towns and communities. The towns rely on the businesses. The businesses rely on the tourists. The tourists rely upon the signs for needed directional information. As the signs go, so go the communities, businesses, jobs and millions of dollars in local, state and federal taxes generated by these businesses.

The federal beautification law is in fact in direct conflict with national policy, as set forth throughout the federal code, established to prevent or mitigate the out-migration of people from rural to urban areas. The tourism business, developed and maintained through the use of reasonable outdoor advertising, has been one of the most important factors in preserving our small towns and communities. The federal beautification law is undermining and destroying the benefits derived by these communities.

It is in the national interest that we do all within our power to preserve and maintain the small town environment. Urban problems are already out of control and we need not compound them.

I believe the time has come for a total reassessment of the federal billboard control laws. To expend money and time on a few signs in light of the current national needs and priorities is incredulous and wasteful.

I firmly believe the people of this nation in the last election sent a strong message to Washington for a new federalism. To intrude on states' rights and to spend federal money for such a ridiculous program as the current federal beautification act is irresponsible. Aesthetic zoning, where any two people will differ as what is beautiful, and especially where it is beyond the express powers of the federal government, and concerning a subject of local control, is intolerable and must cease. If beauty is to be the subject of law, let it be dictated and determined by the law of the local governments which are close to the people.

I believe the time has come to bring before Congress the repeal of the current Federal Billboard Control. It is time to return to the states the responsibility for sensible and prudent billboard control. I urge that this matter be considered at the earliest possible date to forestall further erosion of state and federal relations and to prevent further waste of the taxpayers' dollars on this program.

Sincerely yours,

William J. Janklow

WJJ:jo

cc: Department of Transportation

Senator **Abdnor**. I guess I have talked long enough so we will be moving right along because we have a number of witnesses with us today.

The first panel we have asked to come before us is Wallace Larson, South Dakota Department of Transportation and Bill Hustead, with the South Dakota Outdoor Advertising Control Commission. Is Bill here? He is also a commissioner of transportation and owner of Wall drug.

I am sure both of you are very interested principally on the billboard issue, but Bill, as a member of the transportation board, you might want to make some comments on the legislation. Which ever one of you two gentlemen want to go right ahead, go ahead.

STATEMENT OF WALLACE LARSON, SOUTH DAKOTA DEPARTMENT OF TRANSPORTATION

Mr. **Larson**. I will lead, Senator.

Senator Abdnor and Senate subcommitte staff members, I want to thank you for coming to South Dakota and giving this opportunity to us to comment on the Highway Beautification Act and I will be ending my remarks today on the Highway Beautification Act.

It has long been the position of the State of South Dakota that the Federal control of outdoor advertising should be transferred to the states through repeal of the Federal laws and regulations. Our position remains unchanged. In view of the increasing problems in our economy and in our transportation system, it becomes more imperative every day that the billboard issue be addressed by Congress. It is time for the Federal Government to devote its resources to maintaining a healthy economy and adequate transportation system.

Matters such as highway beautification should be the concern of individual states. We would therefore urge repeal of the Federal Highway Beautification Act. It has been frequently stated, and I believe generally accepted, that the Highway Beautification Act is unfair to rural States. States with large industrial and urban areas have considerable mileage of commercial and industrial zones adjacent to their interstate and primary highways. Advertising signs, displays and devices are permitted in these zones and, as a result, urban states are virtually unaffected by the Federal law. Rural States, on the other hand, have very limited commercial and industrial zones and, therefore, very limited opportunity to provide reasonable, orderly and effective displays of outdoor advertising.

In section 131(d) of the act, or of title 23 it states that you may have the billboards and the commercial and industrial zoned areas. And, it says, and I will quote directly, "The States shall have full authority under their own zoning laws to zone areas for commercial or industrial purposes, and the actions of these States in this regard will be accepted for the purposes of this act."

Well, as everyone in this room well knows, South Dakota took that literally and was challenged by the Federal Highway Administration, and the courts ruled in *South Dakota* v. *Volpe* that zoning such as that, that it existed in South Dakota, was done for the obvious intent of circumventing the act and therefore was not legal.

That puts us in a state we must administer the act of judging the intent of the zoning.

If a local zoning board zones an area commercial and industrial, and it appears to the Federal Highway Administration that was done for purposes of circumventing the Highway Beautification Act, then we in the State are faced with a problem in either we must challenge our local zoning authorities and challenge the integrity of their zoning and state that they said it was for purposed other than their stated intent, or we must defend that zoning and follow the Federal Highway Administration.

I know who I work for, so we have been defending the zoning. But, it is a divisive piece of legislation. It pits the State, the Federal, and local governments against each other and we don't think it is proper and we can no longer afford that kind of divisive legislation and that's why I urge its repeal.

However, if the billboard control law at the Federal level is to continue we believe there should be definition of what an acceptable level of control is. I don't think it is fair under the current law where the industrialized and commercialized States are allowed to put up their signs and we in rural States are not.

I suggested a possible amendment where if a State controlled and prohibited billboards in 75 percent of the rural mileage, then that would be acceptable for the purposes of the act and we would have 25 percent of that mileage where we could still provide the necessary advertising. I am not sure those percentages are ones you might want to use. I think they are reasonable.

It appears to me if we had three-quarters of the scenery preserved, the other 25 percent could be used for that purpose.

I would also like to address the so-called hardship exception portion of the statute, 23 U.S.C. 131(O), which states that if you have an area that would be tourism industry that would be severely impacted by removal of the sign, then you can have those signs exempted and they remain.

No State in the Nation, including the State of New York, which I understand was the intent of that legislation to provide for, has been able to win one of those exemptions. Obviously that is not a very good solution as it currently is stated in law.

I think there is a need for some relief in that area and I would suggest that what I have proposed as an amendment, if the first part of my presentation would provide that relief. But, if not, not that relief, some other relief.

The next part of the code that I would like to address is the sanction portion of the code, 131(b) provides for the 10 percent sanction. I think that should be repealed. It appears to me counter productive to the stated intent of the Highway Beautification Act which was to preserve our highways to then take 10 percent of our funds away because we didn't do what the Federal Government thought we should do in advertising and take that money away from the preservation of the highways. That doesn't make sense to me.

I think a better option would be to accept kind of an incentive program. So, we urge repeal of the sanction provisions of the act if the act itself is not repealed.

There is one other area that is not in my prepared testimony that I would like to address.

There has been some suggestion that the billboard clutter might be returned to its former status if we didn't have the Federal law. I would like to remind the folks that make that statement that in 1967 South Dakota passed what I believe was probably the most effective billboard control act this Nation has ever seen. We removed 20,000 billboards under that act and the controlled portion of the act that made it effective was simply a licensing provision. If you wanted to maintain your sign you were forced to pay a reasonable licensing fee. Under that statute we removed 20,000 South Dakota signs, we led the Nation in total signs removed. We were never in conformance to the Federal act. The Federal act isn't the only way to do it; I merely point that out.

Once again I entrust my thanks to the Senator for bringing this hearing to South Dakota and allowing us to present this testimony.

Senator ABDNOR. Thank you.

STATEMENT OF WILLIAM HUSTEAD, SOUTH DAKOTA OUTDOOR ADVERTISING CONTROL COMMISSION

Mr. HUSTEAD. Senator Abdnor, I would like to address the Beautification Act and rules and regulations that has been handed down by the Department of Transportation to our State.

I serve on the city council down at Wall, S. Dak. Wall is a little town by the Badlands in the western part of our State. We have about 900 people living in our community and about 1,600 in the summertime.

I am owner-manager of the Wall Drug Store. I want to tell you a little bit abour Wall and Wall Drug before the advertising and before we had a tourist industry.

Wall Drug was going broke. We had poverty in Wall. We didn't have a sewer system, we didn't have a water system, we didn't have any beauty. We had the WPA and we had Federal welfare. Because of outdoor advertising Wall and Wall Drug is prosperous.

Last year Wall Drug grossed about $4 million. We served on an average day in the summertime, between 10,000 and 15,000 people. On a good day at Wall Drug, like this morning we will serve about 270 dozen eggs for breakfast. We have got a little gal that comes in at 4:30 and she makes 6,000 doughnuts. We serve hundreds of buffaloburgers—actually tons of buffaloburgers—over the summertime. We sell thousands of Sioux Indian-made moccasins from the reservation and Sioux Indian pottery.

We are open from 5 in the morning to 10 in the evening. We have 200 employees on the payroll and house 90 college students in 15 houses that are seasonable employees.

The city of Wall last year grossed in the neighborhood of $8 million. We sent over $480,000 down to the State capital. We have a good water system, good sewer system, our schools are adequately supported. We have a medical center, our streets are paved and I will tell you, that is beautiful. We have no unemployment in our community.

If the rules and regulations that the Department of Transportation is trying to promulgate on the State of South Dakota, if they are enforced in our State, Wall Drug will be out of business.

I will tell you that seasonable businesses are very fragile. Our citizens will be forced actually not only to go out of business but to leave the State of South Dakota, and our little community will have poverty and unemployment again.

I am very familiar with the Beautification Act and I know the rules and regulations handed down by the Department of Transportation and enforce it.

When the Beautification Act came over the horizon in 1965 I was chairman of the house-senate highway transportation committee in the State legislature. I attended all the hearings in South Dakota and the surrounding States that Congress forced the Department of Transportation to hold to modify the rules and regulations that the Department of Transportation proposed. They held these hearings in 50 States. I appeared in Washington before the House Transportation Committee when the bill was in the hopper.

I would like to ask you: Were the rules and regulations changed after all the State hearings? Were they modified to fit the needs of the respective States? No, they were not. They didn't change, despite millions of pages of testimony pleading for modification. It was not congressional intent to destroy outdoor advertising in South Dakota.

Klazinsky told me in Washington: "Mr. Hustead, I will tell you that it isn't a purpose of this Act to destroy ma and pa businesses such as yours. There will be protections in the law."

As late as 1976 the Department of Transportation Deputy, Federal Highway Administrator Kopple, and I quote:

> We must keep the program of implementation as simple as possible. We must allow each state to take over its own beautification program to meet the needs of the travelers, to meet the state's needs. The travelers must have adequate information. States must have the option of making application for the retention of certain non-conforming signs under the economic hardship provision of the act.

Now, subsection 131 of the act is proof that Congress wants to save the tourist industry. South Dakota had an economic hardship study. This showed that the unreasonable extent of Transportation rules would take $81 million out of the economy of our State. That study was made by the University of South Dakota.

Roadside business experts know that this figure was conservative and the university admitted it was conservative. Actually it will take over $200 million a year out of our State's economy.

Signs are vitally important to South Dakota. Seventy percent of the traveling public are just passing through our State. Because of outdoor advertising they realize there is a lot to do and see in South Dakota.

As past State senator and chairman of our city council, as one whose business is in jeopardy, I can tell you that the DOT treatment of South Dakota is unfair and it is against congressional intent.

South Dakota is a low-income State. We have got two major industries, agriculture and tourism. Many times the ranching industry and farming industry is just desperate. Tourism right now this year is thriving. It is the backbone of our economy. That tourist dollar is beautiful. We don't have to educate his children and we don't put him on welfare, and it is turned over five to six times in our economy and it is South Dakota's best hope for the future.

Now, as a commissioner of transportation for the State of South Dakota, I will tell you that South Dakota cannot continue to lose Federal highway funds. We do not have enough money to keep our vast highway system even in repair. The DOT persecution in South Dakota and the confiscation of $4 million of our funds, it was unfair and it was uncalled for in lieu of the rulings and Federal revenue that they actually sent from Washington to rule on this problem.

South Dakota had 38,000 signs—and my figures are a little different than Mr. Larson's—but, as I recall, we took all but 6,000 signs and the Department of Transportation still withheld our funds. South Dakota changed our laws to conform to the DOT rules and this was to take down 98 percent of the signs in the State of South Dakota. This, of course, was declared unconstitutional by our supreme court.

We need controls, but we need controls that our State can live with, controls that will not destroy roadside businessmen such as myself who are out of sight of the traveling public.

In closing, I agree with Director Larson. Special consideration should be given to the rural States that do not have a commercial-industrial area. States should be allowed to zone by legislative action or by State highway zoning boards. For the Department of Transportation to control zoning in all the State towns under 6,000—and that is the way it is now—is ridiculous. Let the elected officials, the local zoning boards rule.

Mayors and city councilmen such as myself find this aspect of the present law revolting. This was never congressional intent. The law reads that the States have the right to zone. Congress should spell out in the law protections to roadside businessmen. The crusade by the Department of Transportation to restrict all outdoor advertising in America to actually destroy it shouldn't be allowed, and I will tell you why. They won't get away with it.

Until Senator Abdnor was elected to the Senate in South Dakota, South Dakota traditionally has little influence in Washington. Our Senators have been politicans that have mainly concentrated on their own personal careers. In the past our Senators actually have had little time to concern themselves with the needs of our State.

With Abdnor in the Senate I personally feel that this is changed and I also will tell you that when sign removal removes the signs and takes actually hundreds of millions of dollars out of the economy, of States like Missouri, who has five times as much tourist industry as South Dakota, Florida, and New York State, I think that you will definitely see a backlash in Washington that will destroy all Federal sign control in the United States. You should modify the beautification law. You should all work and take a stand against mindless government. The treatment of South Dakota by the Department of Transportation, it is an example of mindless government.

Senator ABDNOR. Thank you for that very strong statement, Mr. Hustead. Thank you for your words, too. I guess we are all working for the same thing here, to try and get some changes in the Highway Beautification Act.

I am firmly convinced the atmosphere is right for it right now. I think the biggest problem we are going to have down in Washington is time. We are having a time problem because the Clean Air Act is taking so much of it.

I am firmly convinced—without putting words into Ray Barnhart's mouth—that he would be just as happy as anyone to see this change. But, until it is, he has to abide by the law.

Let me get this straight. Both of you gentlemen would certainly prefer turning it back to the States over any kind of amendment to the bill?

Mr. HUSTEAD. I certainly would.

Senator ABDNOR. You can travel the interstate through North Carolina, they must have 70 percent of their area covered with signs. Is that because of zoning? Is that what allows them to do that in a more congested area, Wally?

Mr. LARSON. Two things: Zoning is one. The fact that South Dakota removed our signs using the 1967 law without regard to the Federal law caused us to have a lot of our signs removed irrespective of the Federal act. There was no Federal funds. It was strictly a voluntary removal. We removed a lot of ours under the Federal act. Some States still have those signs because there are no funds of the Federal Government to pay for the removal of them.

Senator ABDNOR. Do you think all the States will be able to properly control billboard advertising? Each State has a different version of what is proper, I guess, and that's the way it should be.

Mr. HUSTEAD. Senator, in a State like California this bill does not affect the roadside business because they are going to be losing about 20 percent of their signs. A rural State, because they have so many vast areas as opposed to commercial-industrial areas where signs are permitted, South Dakota and many rural States like South Dakota will lose most of their signs because we just don't have the commercial-industrial areas. Unless we are allowed to sign it—some areas of our State are suitable as commercial-industrial areas—that aspect is very important and that's something we have never been able to communicate to the Department of Transportation.

Senator ABDNOR. Bill, if we amended the Federal act instead of doing away with it and turning it back to the States, do you agree with Mr. Larson along the lines he was talking about is OK?

Mr. HUSTEAD. I think they should judge our State on the percentage of our highway that we do not allow signs or on the number of signs that we have throughout the whole State. The purpose of the Beautification Act was to control outdoor advertising, not destroy all of it.

Senator ABDNOR. I certainly hope that we can go along with something like that which pretty well turns it back to the States. I would hate to go out on a limb and say what the changes would be.

You specifically stressed, Wally, that you thought that Washington should go beyond the intent of the law and even that would make some changes in this thing. But, we will just have to take back your view on this and seriously I am hoping to find the time to get this done.

Does that do anything for you specifically, Bill, if we have to comply? If it was not for this 1-year reprieve how would a business like yours be affected? You do not have one of those problem signs.

Mr. LARSON. Bill would not be affected, to answer for him. The current problem with those signs are the ones erected between March 31, 1979 and July 1, 1979, and Bill does not own any of those signs.

Senator ABDNOR. Those that were erected in that time?

Mr. LARSON. Before our law was passed, before it became effective.

Senator ABDNOR. Let me ask you this. How many signs went up in that time?

Mr. LARSON. Currently 188 of them are remaining up. A couple of them have been taken down.

Senator ABDNOR. My aide tells me we have over 2,000 nonconforming signs that would have to come down.

Mr. LARSON. Let me get my figures.

Mr. HUSTEAD. Senator, I think everybody in the tourist industry is interested in mainly if we have some areas where we can have some outdoor advertising. I am not here to save all of my signs. I am more than happy to take down a large percentage of them. I would like to, frankly, if I could, save 20 percent of my signs or just enough signs to stay in business. That's what we are interested in.

Mr. LARSON. The signs we would have to take down to fully comply is over 5,000. We have about 3,000 that do comply with the Federal act and if you add those figures you would get the original 28 because 2,000 or so have been erected in conformance with areas under the act. We have taken over 22,000 down.

I think it is significant when we had our sanction hearing South Dakota stood eighth in the Nation in signs removed and we were sanctioned. Florida had virtually removed no signs and they were in compliance because their law complied. I think we complied with the intent and failed to comply with the legislative dictates.

Senator ABDNOR. Thank you very much. Incidently, let me introduce the people I have up here with me.

On my right is Jean Schrag. She is the head staffer for Senator Steve Symms who is the chairman of this particular subcommittee. Let me tell you she is a South Dakota girl, too, so she knows something about rural America. She comes from over in the southeast part of the State.

To my farthest left is Mike Nee who is the head staffer for Senator Bentsen of Texas who is a ranking minority member of the subcommittee and he does a fine, fine job, and we are mighty happy to have him here because these staff people work very, very closely not only with their own respective Senators but the entire subcommittee, and I think you know how important they are, particularly in the Senate where you have to rely so strongly and greatly on staff.

On my left here is Lee Schoenbeck who some of the people in the South Dakota Highway Department will know. He has hounded them so much on the telephone telling them what goes on and we are all working for the same purpose, to come out with decent legislation that will let us exist here in South Dakota and keep our highways and keep our businesses.

With that we will go on. Our next panel is made up of John Derby, Richard Flynn, and Harold Neumen.

STATEMENT OF RICHARD FLYNN, FLYNN OUTDOOR ADVERTISING CO.

Mr. FLYNN. Senator Abdnor, members of the subcommittee, my name is Dick Flynn, owner of Flynn Outdoor Advertising Co. in Sioux Fall, S. Dak. I have been in the outdoor advertising business for 18 years and I purchased my own company 5 years ago with the help of a substantial loan from the bank. I still owe a considerable part of this loan. This business is the principal source of livelihood for me and my family.

We operate about 300 signs in South Dakota and each sign is worth approximately $3,000, so my entire inventory in the State is valued at close to $1 million. I have seven employees who also depend on the business for their main source of income. We pay Federal, State, and local taxes and many South Dakota businesses depend upon us to communicate with both residences and tourists visiting our State.

My customers and my employees engage in a number of civic activities which benefit the State. I served in the South Dakota House of Representatives for 2 years, and the State Senate for 2 years. I am now a county commissioner for Minnehaha County. I was a sponsor of the bill that brought South Dakota into compliance with the Federal Highway Beautification Act, and I might just say that here in the case of the last attempt by South Dakota to be brought into compliance with the Federal Government, when we formulated the bill we did so in concert with the people from the Federal Department of Transportation. In private those people told us that our act would bring South Dakota into compliance. While we knew it was a barebones act, that is, an act that would barely bring us into compliance, we understood that. We went ahead and passed that bill which supposedly brought South Dakota into compliance and in fact then the Federal Department of Transportation comes back and tells us that it did not in fact bring us into compliance, and then brought the penalty against South Dakota.

One feature of the Federal Beautification Act which is most important to my family and employees is the requirement that just compensation must be paid for signs removed or taken by the Government. There are some States and some local governments who would like to be able to confiscate signs and other property through a process called amortization or without paying compensation.

A number of years ago the city of Denver passsed an ordinance which prohibited outdoor advertising and required the removal of all outdoor signs within 5 years, the so-called amortization period. A thriving business where several million dollars was to be wiped out without 1 cent of compensation. Fortunately a court in Denver ruled this unconstitutional. The judge's order began with these words, and I quote: "The Court regrets that its opinion must be as long as this one is"—and I am not going to read the whole opinion, obviously, but it went on to say—

> But while it may not seem so on a cold written record the attitude and impression created by the defendants and their witnesses, particularly the planners at the trial convinced this Court that the defendants seek and would like to obtain an unprec-

edented and apparently unlimited extension of their police power so that they can take any property which, for one reason or another, they believe to be unpopular.

So, in essence, Senator Abdnor and members of the subcommittee, I would be for the repeal of the 1965 act which, if the act is not repealed, I would be for the retention of the just compensation provision of the act.

Senator ABDNOR. Thank you, Dick.

STATEMENT OF JOHN DERBY, DERBY OUTDOOR ADVERTISING CO.

Mr. DERBY. Good morning Senator, staff, and welcome to Rapid City and the Black Hills.

My name is John Derby. I own Derby Outdoor Advertising, Rapid City, S. Dak. I entered into the outdoor advertising business in 1965, the same year that the Highway Beautification Act was enacted.

In 1974 I purchased the outdoor advertising business in Rapid City and the Black Hills. In order to complete that transaction I assumed a sizable debt. Derby Outdoor Advertising is the principal source of income for me and my family. We employ six full-time employees and two summertime employees of high school or college age.

We are a small business that strives to meet all obligations of a business, that is, pay taxes, meet payrolls, retire debts, pay bills, and grow as part of the free enterprise system.

During the course of these hearings you will hear a number of times statements to the effect that the Highway Beautification Act has burdened both the sign industry and tourist-oriented enterprises. All businesses in the sign industry and tourist-oriented businesses want to keep their outdoor advertising structures totally. If that is not possible under the regulations then one feature of the act which is favorable to these small businesses is the section requiring the payment of just compensation for signs which must be removed.

This section was approved by Congress virtually unanimously. The House Committee on Public Works said this about compensation:

> The committee feels strongly that in all equity and fairness, compensation must be paid to those individuals who will lose their signs.

The Senate committee said this:

> The committee emphatically and unanimously rejects the use of police power in acquiring these rights, and has provided for the use of Federal funds for paying the Federal pro rata share of the acquisition costs of such rights through purchase or condemnation. Such payment is mandatory, not permissive, on the States.
>
> It is the committee's opinion, as expressed by Senator Muskie during the hearings that * * * "whenever an individual suffers loss because of some broad public benefit or broad public interest the public interest also requires that the loss be compensated for. If we cannot sustain that kind of a concept in the public interest, then * * * the public interest ought to be reviewed."

In 1978 Congress clarified and strengthened the compensation requirements through an amendment to the act. In debate on the House floor on this provision, Congressman James J. Howard summed up the feelings of his colleagues with these words, and I quote:

> Madam Chairman, I believe the crux of the issue is equity. This House and the Congress as a whole, have repeatedly said that individual owners must be compensated for the taking of their property. The provision in the committee bill merely reaffirms what has always been the Congressional intent.

A few minutes later the compensation amendments were overwhelmingly passed by the House by a vote of 199 to 76.

Section 401 of the act says this:

> Nothing in this act or the amendments made by this act shall be construed to authorize private property to be taken or the reasonable and existing use restricted by such taking without just compensation as provided in this act.

This amendment was proposed by Senator Everett Dirksen, one of the elder statesmen of the Senate at the time. In explaining his amendment, Senator Dirksen said this:

> Mr. President, I take 30 seconds to say that this is a restatement of the principles laid down in article V of the Bill Of Rights in the Constitution.

The Constitution of the United States is the bedrock on which this Nation is founded. It requires compensation for property taken or confiscated by the Government. So does the Highway Beautification Act. These requirements must not be changed.

Senator **ABDNOR**. Thank you, John, for that very excellent statement.

Do either one of you know of any billboard owners who have had trouble receiving just compensation in South Dakota?

Mr. **FLYNN**. Senator Abdnor, I think the State of South Dakota by statute must provide just compensation. That, at least, is the interpretation I received from the Legislative Research Council in Pierre. But, as I said, if we are going to retain the Federal act, then I hope that the Federal act will retain the just compensation provision.

If the act is repealed, then I really don't care because the State of South Dakota in their control has that just compensation provision by statute.

Senator **ABDNOR**. You both would favor outright repeal of the Federal Highway Beautification Act and prefer turning it back to the States, is that a safe statement?

Mr. **DERBY**. Yes. And my comments are directed toward Senator Stafford's bill S. 334, I believe, where his proposed bill is to give it back to the States, but he did have the part in there of making compensation optional to the States and that's the part I am directing my comments toward.

Senator **ABDNOR**. Will it concern you if there was no language about compensation in the repeal and leaving to the States how they should handle it. Do You trust the State of South Dakota to handle it?

Mr. **DERBY**. I think it should state that compensation should be——

Senator **ABDNOR**. From Washington?

Mr. **DERBY**. Yes.

Senator **ABDNOR**. Had you also asked that Federal funds come from Washington for this or would you leave it strictly up to the State? These are thing we have to determine.

Mr. **DERBY**. I am not sure how his bill read as far as putting it back onto the States.

Senator **Abdnor**. I think what is happening now is a little bit different than last year. I think complete control in handling of compensation will be left with the States. South Dakota has already done a pretty good job of taking down the signs. I have my doubts whether it would be likely to make stiff requirements. However, I have no assurances of that, just the testiomony we have been receiving. But, I do think it is safe to say that if repeal legislation was going through Congress, it probably wouldn't allow for any funding from Washington.

It is fine to have your input into this and it will be in the record for consideration. I think you recognize that billboard people have some excellent recommendations in Washington, they are concerned about this and we have met with them many times. Thank you both very much.

Our next panel will be Ed Glassgow, Gary Brown and Bill Honerkamp. Ed, why don't you start?

STATEMENT OF ED GLASSGOW, PRESIDENT, SOUTH DAKOTA HOSPITALITY ASSOCIATION, INC.

Mr. **Glassgow**. Mr. Chairman and members of the committee, my name is Ed Glassgow, a resident and former member of the city council of Rapid City. I am appearing here as president of the South Dakota Hospitality Association which includes the lodging, food service, and private camping industries of the State, as well as attractions and other members interested in tourism. I have been asked to also speak on behalf of Mrs. Beverly Halling of Spearfish, president of the South Dakota Innkeepers Association, George Psiropoulos of Vermillion, president of the South Dakota Restaurant Association, and Jack Bossen of Rapid City, president of the South Dakota Campground Owners Association.

Tourism has long held title to the second largest income producing industry in the State and billboards are a key factor in maintaining a healthy tourism industry.

My purpose today is to underscore the problems created for our industry by the highway beautification program, identify the potential economic loss to our State by its inflexible enforcement and encourage the control of highway advertising being returned to the respective States.

Before beginning on these points, however, allow me to digress to comment on two other important issues. First, I would like to encourage the continuance of a strong highway development program. Our industry is dependent on highways to bring the customers that make our businesses successful. We feel the integrity of the trust account must be maintained with 100 percent of the funds going back to highway construction, reconstruction and maintenace with none of the funds being diverted for other purposes, such as mass transit.

Second, I want to express the appreciation of our industry to Senator Abdnor, and others on this committee who have worked so diligently to bring reason to the highway beautification program. Please be assured we are grateful for the reprieve given last week over the disputed billboards. I feel such efforts are now beginning to bear fruit and time will bring a return of reason to the program.

Back to my basic points. First of all, I know of no Federal program that has caused such a division in the citizens of South Dakota. On June 18, 1979, at a Federal hearing on the Highway Beautification Act in Denver I was present when South Dakota Governor Bill Janklow told the hearing:

> No Federal law in my experience has caused more unnecessary controversy and divisiveness than the Federal billboard control laws. The attempted implication and good faith compliance with the Federal law has pitted the South Dakota tourism industry against the South Dakota highway construction industry. It has set the East River section of our State against the West River where tourism is a critical element of the economy. It has legislative session after legislative session distracted State lawmakers from truly necessary and meaningful work.

As a result of our State's unwillingness to yield to the Federal coercion under the program, our State lost $4.2 million of much needed dollars. And it is not because we haven't been trying.

South Dakota at the outset of this program in 1966 had in excess of 25,000 signs. There are now approximately 5,000 signs remaining adjacent to our interstate and primary systems. South Dakota, according to national figures of the U.S. Department of Transportation ranks very near the top of all States in sign removal. Yet, today, we have had the penalty imposed and are again threatened by another penalty under the beautification laws for so-called noncompliance with technical statutory language.

The second point I would like to address is the economic impact of the loss of the billboards remaining in what is considered by the Department as noncompliance.

Although many studies conducted across the country would support the final results, I would like to summarize a study conducted in 1977 by the Business Research Bureau of the University of South Dakota. This study was the most in-depth study on the economic benefit of billboards ever conducted anywhere.

Here are a few of the important highlights of the report: 37.7 percent of travelers said they would not have stopped where they did without the billboards.

Average loss to regional income is estimated to be 2.33 percent ranging from 5.97 percent in the sparsely settled counties to 0.42 percent for the most populous.

Loss in sales tax revenues would be an estimated $1,922,592 in 1976 dollars and this is estimated over $3 million in 1981. And, by the way, I would like to identify how I arrived at the upgrading of the figures.

I talked to Dr. Jerry Johnson at the University of South Dakota this morning and he suggested we use a figure to bring it up consistent with the cost of living index, so this is how I have made these adjustments.

An estimated 1,629 employees would be laid off in the tourist industries, 2,800 jobs lost totally.

An estimated loss in property tax payments in excess of $290,000. Estimated over $460,000 in 1981.

Individual tourist attractions could expect decreases in sales averaging 46 percent without billboards, especially those off the highway and not in the cities.

To get an idea of what losses this would bring, here are the findings. Let me review these very briefly because they are very important.

To the hotel-motel industry this would result in a direct loss of $3,600,000 plus in 1976 dollars. This would be escalated to over $5,800,000 in 1981.

Restaurants would lose $5,475,000 plus. Estimated in 1981 to be in excess of $8,600,000.

Campgrounds, $973,000 plus in 1976 as compared with $1,538,000 plus in 1981.

Tourist attractions in 1976 were estimated to have lost $4,400,000, more than that, and in 1981 this could have escalated to over $6,900,000.

Service stations were estimated in 1976 to have lost over $15,800,000 and if the same ratios would be held intact, over $25 million in 1981. The direct loss to these businesses in 1976 would have been over $30 million and in 1981 dollars it would have been over $48 million.

When you take the very conservative figure—Mr. Hustead said 6 to 7 percent—you will notice this study used approximately a dollar turnover, 2.8 percent, so this would bring about in 1976 dollars in excess of $81 million loss, where if this was escalated to the consumer price index of today it would be in excess of $128 million loss to South Dakota businesses.

To bring the problem closer to home here are examples of losses that would impact on representative counties, and I am just going to read totals of 1976 dollars.

To Pennington County it would have been $4,673,000 plus. If this was total impact, including the rollover, dollars impact totally would be $12,526,000 and escalated to over $19 million.

Davison County, total losses of nearly $8 million in 1976, over $12,500,000 in 1981.

Minnehaha County, $4 million plus in 1976, nearly $7 million in 1981.

Brown County, which is away from the general tourist area, nearly $2 million in 1976, over $3 million in 1981.

But, besides the volume of dollars lost, some other important factors should be noted as to just how these losses occur for the losses impact where they do the most serious damage.

First, with the required removal of so many individual billboards, the highway advertising companies have moved closer to a monopoly and have raise the prices on their rentable billboards to unconscionable levels bringing further hardship to an already depressed industry.

Second, the losses will impact more heavily on small towns and rural areas more than cities, further encouraging rural outmigration and compounding urban problems.

Third, the losses will impact more seriously on the smaller, locally owned "ma and pa" family businesses than the chain operated or franchise businesses.

Fourth, the job losses occur not only as outlined above but to the marginally employable, the young, the unskilled, those needing summer employment such as college and high school students. The loss of such entry level employment will only aggrevate welfare and unemployment problems.

Before continuing to my final point, I believe another important fact should be identified, that being the service billboards render and perform in assisting travelers from all over the world with information and directions regarding the points of interest they seek—far ahead of any other source of information. This study showed that over two-thirds of all South Dakota travelers found billboards to be useful to them in making their decision where to stop for travel services.

The report also confirmed that over 90 percent felt billboards created no major scenic problems for them.

Finally, we feel it is important and reasonable that control of highway advertising be returned to the respective States. Administration of the Highway Beautification Act is classic example of bureaucratic demagoguery and irresponsible bungling.

The conditions of the urbanized east coast and the open space of South Dakota are vastly diverse; however, such obvious facts seem to totally escape the zealous enforcers of the program that have the authority to use congressionally sanctioned blackmail in the withholding of highway trust funds.

I know of no one in the hospitality industry in South Dakota who does not desire reasonable controls on highway advertising; however, it is clearly evident in their judgment that the job could be best handled on a local level and not by the Federal Government. It is in the interest on the highway advertiser as well as the traveling public that reasonable controls be implemented. However, it is totally unreasonable to expect this to be done through a seat of power over a thousand miles from the scene.

In conclusion, I would like to submit a copy of the report on this study to you, Mr. Chairman, to be entered into the record and for the use of the committee staff.

Senator ABDNOR. I am very happy to include it.

[The material referred to follows:]

THE HOSPITALITY INDUSTRY IN SOUTH DAKOTA

- In 1976 tourists paid $8.2 Million in gas taxes
- In 1976 tourists paid $6.3 Million in sales taxes
- Tourism directly provides employment for over 17,000 South Dakotans
- Tourism industry payroll estimated at over $58 Million
- 7.7 Million tourists visited the state in 1976 - more in 1977
- 27% of tourist dollars spent for food (restaurant and groceries) estimated
  - 2.5 million dozen eggs
  - 13.5 million quarts of milk
  - 2.2 million pounds of chicken
  - 14.5 million pounds of fresh meat
  - 10.8 million pounds of bread and flour
  - 8.5 million pounds of potatoes
- Over $218 Million spent by tourists in 1976
- Over [illegible] of all billboards serve the out-of-state [illegible]

THE KENT SURVEY PREPARED FOR THE INTERIM COMMITTEE ON BILLBOARD ADVERTISING

- Most in-depth study on the economic benefit of billboards ever conducted anywhere.
- 37.7% of travelers said they would not have stopped where they did without the billboards.
- Average loss to regional income is estimated to be 2.33%, ranging from 5.97% in the sparsely settled counties to .42% for the most populous.
- Loss in sales tax revenues would be an estimated $1,922,592 in 1976 dollars (Estimated $2.1 million in 1977)
- An estimated 1,629 employees would be laid off in the tourist industries -- 2800 jobs lost totally.
- Estimated loss in property tax payments $292,382.
- Individual firms could expect decreases in sales averaging slightly more than 40% without billboards -- especially those off the highway and not in the cities.

CONCLUSIONS

Over two-thirds of South Dakota travelers found billboards to be useful to them in making their decision where to stop for travel services.

Outdoor advertising created no major scenic problems for over 90% of South Dakota travelers.

South Dakota travelers ranked billboards the most useful source of tourist information.

Billboard advertising was the media through which the majority of the travelers first became aware of the existence of the business at which they stopped.

Over 40% of South Dakota travelers would not have stopped at the business where they were interviewed if they had not seen highway billboards.

Billboard advertising is more important for small town business and those not associated with chains or franchises.

BILLBOARDS

AND THE

HOSPITALITY INDUSTRY IN SOUTH DAKOTA

JANUARY 1978

Prepared By
South Dakota Hospitality Association
P.O. Box 1580
Rapid City, SD 57709
Telephone: (605) 343-6917

Ed Glassgow, President

ONOMIC LOSS TO SOUTH DAKOTA

- in the absence of non-conforming billboards over 16% of the tourist business would be lost
- the removal of non-conforming billboards will cost the state as much as $81.5 Million dollars in lost income. This is almost 2% of the total income of the state.
- the loss of income will be up to twice as great in percentage of total income in rural counties as in the more populated ones
- sales tax revenue could drop as much as $2.1 Million due to the removal of non-conforming billboards
- 2,800 jobs could be lost with students being the hardest hit
- nearly $300,000 in property tax would be lost

ECONOMIC LOSS TO HOSPITALITY INDUSTRY (1976 Dollars)

els/Hotels	$ 3,671,041
staurants	5,475,472
mpgrounds	973,925
rist Attractions	4,405,880
ice Stations	15,871,357
ect Loss	$30,397,675
al Loss	$81,465,769

IMPACT ON THE SOUTH DAKOTA LODGING INDUSTRY

- over 50% said billboards were very important in deciding on hotel or motel
- an additional 26% said somewhat important in deciding on hotel or motel
- over 76% said billboards were either very important or somewhat important in deciding on hotel or motel
- over $3.6 Million dollars would be lost to South Dakota Lodging Industry

IMPACT ON SOUTH DAKOTA SERVICE STATIONS

- 57% said billboards were very important in deciding on service stations
- 21.5% said billboards were somewhat important in deciding on service stations
- over 76.5% said billboards were either very important or somewhat important in deciding on service stations
- over $15.8 Million dollars would be lost to South Dakota Service Stations

IMPACT ON SOUTH DAKOTA RESTAURANTS

- 44% said billboards were very important in deciding on restaurants
- 32% said billboards were somewhat important in deciding on restaurants
- 76% said billboards were either very important or somewhat important in deciding on restaurants
- over $5.4 Million dollars would be lost to South Dakota Restaurants

IMPACT ON SOUTH DAKOTA TOURIST ATTRACTIONS

- 42% said billboards were very useful in deciding on tourist attractions
- 31.5% said billboards were somewhat useful in deciding on tourist attractions
- 73.5% said billboards were either very useful or somewhat useful in deciding on tourist attractions
- over $4.4 Million dollars would be lost to South Dakota Tourist Attractions

ECONOMIC LOSS TO REPRESENTATIVE COUNTIES (1976 Dollars)

	Pennington	Davison	Minnehaha	Brown
Motels/Hotels	$ 1,381,625	$ 168,591	$ 243,500	$ 56,046
Restaurants	892,247	616,952	341,400	342,904
Campgrounds	145,077	25,962	15,577	10,385
Tourist Attractions	1,280,075	1,517,070	47,900	0
Service Stations	974,863	625,459	1,003,722	313,663
Direct Loss	$4,673,887	$2,954,034	$1,652,089	$ 722,999
Total Loss	$12,526,017	$7,916,811	$4,427,598	$1,937,634

MINIMAL SCENIC PROBLEMS

- 45% said no scenic problems from billboards
- 26.8% said only slight scenic problems from billboards
- 71.8% said no or only slight scenic problems with billboards
- only 3.7% indicated severe scenic problems with billboards

BILLBOARDS ARE THE MOST IMPORTANT SOURCE OF INFORMATION

- of all sources of information for travelers, billboards rated highest in very or somewhat useful - 83.3%
- others rated as follows:

Roadside Centers	72.1%
Service Stations	59.4%
State Tourism	58.8%
Auto Clubs	52 %

- 49.6% said they would not have stopped at tourist attractions without billboards
- 44.1% said they would not have stopped at service stations without billboards
- 42.1% said they would not have stopped at campgrounds without billboards
- 40.2% said they would not have stopped at restaurants without billboards
- 35.3% said they would not have stopped at hotels or motels without billboards

Mr. **Glassgow**. I already have submitted it to the reporter attached to my testimony.

Thank you for the opportunity to present our case to your committee and please be assured our industry stands ready to assist in any way it can.

Senator **Abdnor**. Thank you very much, Mr. Glassgow.

Bill.

STATEMENT OF BILL HONERKAMP, SOUTH DAKOTA BLACK HILLS, BADLANDS & LAKES ASSOCIATION

Mr. **Honerkamp**. Senator Abdnor and members of the subcommittee, welcome to South Dakota. My name is Bill Honerkamp and I testify today as president of the Black Hills, Badlands & Lakes Association. My organization is a nonprofit tourism promotion corporation with about 500 member businesses throughout western South Dakota. Since travel comprises our livelihood, matters affecting the highway system in our State and Nation are vital to us.

I would digress from my prepared material for a minute.

Bill 1024, the 1982 highway bill, we are in favor with pretty much every provision in there, particularly the thoughts to retain the highway trust fund, the 4-R, the reconstruction program addition to that giving priority to completion of the Interstate Highway System, particularly I-29 in South Dakota. We understand there is one rider that has been attached which deals with imposing Federal sanctions for nonconformance with the 55 mile an hour speed limit and we find that a distasteful one.

Senator **Abdnor**. It is no different than it was before. I know, of course, when it comes up we will find some resistance to that. I know how they feel about it out here. It would make it a lot easier to do away with if there were a lot more people complaining about it. It has support in this country, but I am sure it will be a point brought up. As I recall, not much opposition has ever appeared before in all our hearings so far. On the sanctioned part, there is obligation to it and I am glad to have that for the record to help back me up when the time comes. So, thank you.

Mr. **Honerkamp**. The main point of my testimony today is to request that Congress reconsider an oppressive and nuisance statute that has cost the State of South Dakota and our businessmen too much time, money, and grief. It is a law which has cost the State of South Dakota $3.2 million in Federal highway aid. It is a law which threatens to cost more in highway aid. It is a law which has sent South Dakota to court on many occasions. It is a law which travelers dislike. It is a law which has cost private industry thousands of dollars in lobbying and litigation. It is a law which enjoys little or no congressional support, a law deplored by Federal Highway Administration Chief Ray Barnhart. It gives our Governor and State highway officials interminable headaches, a law that suppresses advertising, dictates land use to local landowners, and costs roadside businesses losses in their gross income.

We are speaking, of course, of subsection 131 of section 116 of title 23 of the United States Code, Highway Beautification Act. Our position is that it really ought to be repealed.

Since its inception in 1966 the travel industry in South Dakota has been a vehement opponent to the Highway Beautification Act. In the tourism industry we cater to travelers. Virtually 100 percent of those travelers arrive at our doors via streets and highways. The highway sign or billboard is the most efficient and effective means ever devised to tell motorists about the services and products they are seeking: at the right place, at the right time, and at the right cost. Surveys of travelers, as well as surveys of businesses confirm it. Outdoor advertising is effective. Billboards mean business, billboards mean money, billboards mean jobs.

In our Federal Government it has persisted for some 15 years now in an ill conceived crusade to beautify our highways by removing billboards.

A whole new vocabulary has sprung up about billboards over the years as the law has changed, as the courts have ruled, as signs have come up and come down: illegal signs, legal signs, conforming signs, nonconforming signs, legal but nonconforming signs. It is a hodgepodge difficult for anyone to understand.

In the right-of-way office of the State Department of Transportation there is a computer printout. It has about 12 entries on every page, and the pages add up to nearly 6 inches thick. It is a quarterly inventory of South Dakota billboards, and it contains the location, dimensions, and other statistics about each of almost 56,000 roadside signs in South Dakota. We used to have somewhere in the neighborhood of 27,000 signs; about 22 have come down. Yet, the Federal Highway Administration continues to harangue our State with threats of sanctions and penalities in the form of reduced FHA matching moneys if we don't take down still more signs.

Senator, those signs are vitally important to the travel industry. If we thought we could manage without them, we would have abandoned this distasteful battle long ago. The fact that the industry has persisted in its opposition, in its litigation, should indicate to you and your colleagues the importance these small businessmen place on this type of adverising. The loss of some signs means a loss of business and income. The loss of all signs would simply drive many entrepreneurs out of business.

Mr. Chairman, the billboard control act will continue to complicate and recomplicate itself if it remains the law of the land. I want to ask you today, I plead with you to repeal the Highway Beautification Act. Delegate that control to State government where it can be administered fairly and tailored to the circumstances and geography of population and economic development.

The circumstances of South Dakota, Mr. Chairman, the businessmen of the Black Hills are not outdoor advertising fanatics. We have some taste, we have some civic responsibility. We love nature beauty, too. If the Federal act was repealed today, the number of billboards along our highways would not change substantially tomorrow.

Because—even if you do not trust our businessmen to regulate themselves—the State of South Dakota has a strong billboard control measure on the books. I suspect it will always be there. South Dakota's billboard law is a strong one and here is a surprise: that measure was drafted by the members of the toursim industry and the outdoor advertising industry.

Mr. Flynn, who testified earlier, is the author.

Senator, here is a classic opportunity for you and your fellow Congressmen to rid the people of a costly, unpopular, needless and ineffective Government program. We would ask that you repeal the Federal Highway Beautification Act. Thank you.

Senator ABDNOR. Thank you for your very fine testimony. Gary?

STATEMENT OF GARY BROWN, VICE PRESIDENT, SOUTH DAKOTA INNKEEPERS ASSOCIATION

Mr. BROWN. Senator Abdnor and members of the committee, I extend my welcome also to South Dakota.

My remarks are basically coming from the layman's view. I am vice president of the State Innkeeper's Association. I have been a member of the Rapid City Motel Board of Directors, vice president of that for several years. I am also a local owner-manager of a motel, and according to my banker very heavily into the motel industry.

I have spent the last few days calling and driving around in South Dakota primarily in the Black Hills area contacting fellow innkeepers, franchise, ma and pa independents who we would consider the medium-sized ones trying to get their viewpoint on this.

The one consistent point brought up is that the billboards are vitally needed to get that final point across to the traveling public. They are used to it; it is needed. We out here are basically—again even in the motel industry—are rural, off the road. Most of our motels are not located on the interstate. People that are traveling out here come and they depend upon the motels to have the directional signs up and all the information they need on the billboards: What exit to take, what does your motel offer, what facilities are available in that.

We are in a year that has tourism and all the figures are showing that our tourism this year is going to be up. Your attractions, most areas are showing an increase.

We had a small example in Rapid City as to how important billboards and that are in trying to get people to come to our particular area.

The last part of May and first part of June exit 57 in Rapid City has been closed off. Three couples of people who advertise fairly heavily using billboards: Nick Didier from the Tip Top, Dave Seefeldt and Jerry Gill from Gill's Sun Inn, and myself all use exit 57 as our main way of coming to our motel. We all averaged between 11 to 15 percent decrease in occupancy over the time this was on. We received a tremendous amount of phone calls, people saying, "We were following your highway signs coming in and we find that exit blocked. How do we get there? How do we find you?" Then we sit here and a good share of these people did not show up. How many of this percentage didn't even call and ask how to get there?

Billboards are very much needed to the motel industry in South Dakota, the final thing you need to get to sway those last few people in. Basically we have a 90- to 100-day season out here to make our whole year and it is vitally important that we get those few rooms, 5, 6, 10. It makes a difference in our year.

If we had to withstand that type of decrease over this 90 to 100 days, it would be disastrous for a good share of our people. Now, every motel owner and operator in South Dakota uses the State for advertising. We depend on the Black Hills, Badlands, Old West Trail, radio, TV, this is fine. This gets them to the area. But, it is a proven point to all the people that I have talked to and represent that that final decision seems to come down in a good share of the cases on what is written on the billboards, the information, the exit. It is just more convenient than, maybe, going on another 50 miles or 100 miles. It is a final point that we need to make our year and it is interesting to me, and I think, Senator Abdnor, in your particular case, too. I notice in your bid for the Senate race that no matter how much TV advertising you did, radio, billboards, handbills, everything, to get that final figure out, make sure the people are getting that final message. It can make the difference in a few votes and you used billboards extensively.

It is the same thing in the motel industry. The final votes, the final few rooms in that can make a difference in the livelihood for a good share of our people. Thank you.

Senator **Abdnor**. Thank you, Gary and all of you for your excellent testimony.

Let me ask you something, in case I have to defend this when I get there. How do I argue that somebody who is looking for a motel somewhere in the Black Hills or a campground or filling station, that they aren't going to have to wonder around until they find one? I could understand the tourist attraction because they can go right by it. I am not trying to put anybody on the spot, but I may be put on the spot.

Mr. **Glassgow**. We have all been working on a program that will try to keep people over just another day, even delay them another hour or two in their progress on their trip. That means numerous millions of dollars in business to the State of South Dakota. So, even though at one point it would seem they would use one service station or another, without advertising the point being if we can engender a better business climate here through retaining these people for a few hours or a few days longer, this is going to mean that extra time of impact, economic impact to the economy of the State of South Dakota.

Senator **Abdnor**. That's absolutely true.

Mr. **Honerkamp**. May I add to that?

Senator **Abdnor**. Yes.

Mr. **Honerkamp**. Senator, we have some rest areas along our interstate highway. In particular I would cite one near the Wyoming line on I-90 and another one near Wasta about 40 miles east of here. You would be amazed at the number of people stopping in at those two places, either westbound or eastbound which are already 50 miles beyond the Black Hills and ask where in the world they missed it. They missed the Black Hills.

Now, if that can happen with the signing and things we already have, I dread what would happen without it. The fact is that people are strangers in our country, they don't know where they are. I am a stranger when I am traveling and I really rely on that information and in many cases I suspect it's simply gone on by.

Senator **Abdnor**. I was thinking about what you said about the interstate being blocked when you come off it. I am aware of that. My point was: People would probably have to find some other place to stay. But, certainly you are right, they would go right by to another State.

We heard some very interesting testimony from Mr. Pennkras who has a very new tourist business out here. He was telling us about what the advertising has done for his business. He has had about 20 billboards a year. How tough it is for a new business to find billboard space? I was curious. I don't think we have that answered.

Mr. **Brown**. It is very tough.

Senator **Abdnor**. You must have been the exception: Two years in a row you told us you had 20 signs each year. Is it difficult for the average guy to get this?

Mr. **Honerkamp**. Yes, it is. The doctor retained a large staff to research that.

The other situation, rather than finding locations is building up existing locations because a landowner doesn't have a monopoly on the sign rights on his property and as there are less and less signs available the demand go up, the supply goes down, the price goes up. It is that simple.

Senator **Abdnor**. How much has it increased?

Mr. **Glassgow**. I wouldn't have the average. I just know some of the testimony that is going to be presented in the next panel, they will address this issue, but I know a number of my innkeeper people have indicated to me the figures of the times that this has multiplied. It is not just small. It has gone up a hundredfold of the price of the rental sign from what it originally was until what it is today and the prospect of even greater increases in the future.

Senator **Abdnor**. We had specific instances in yesterdays testimony. I just wondered what it was generally overall.

Mr. **Glassgow**. I don't have a full set of figures.

Mr. **Brown**. In my particular case I had trouble getting signs for my motel. It has been a bad enough situation. I go out on my own and I cannot afford a legal staff to research for myself. I put up three signs of my own and originally you could get, like, 3-year agreements on this thing and now I am notified by everyone I personally know that the landowners will only go on a year and we will say that we will talk next year about this, and if I want to maintain them and if I want them, you are forced to go along with it.

Senator **Abdnor**. I was just curious. What is a legal nonconforming——

Mr. **Honerkamp**. That is in a legal location. However, it was put up at the wrong time, or doesn't meet other things, like, its size is too small, too large, perhaps it is not well painted, there are any number of things Senator.

Senator **Abdnor**. Are there many of those?

Mr. **Honerkamp**. There is the darndest variety of them you could think of.

Senator **Abdnor**. Do you suppose if the State had control they would be conforming since they are legal?

Mr. HONERKAMP. I think we would still have some but the fact is they would still tend to grow.

Senator ABDNOR. What is a realistic speed limit? Is 60 a big help or is 65 better, or what?

Mr. GLASSGOW. It is interesting the Federal Government thought it was 75 when the Interstate System was completed here a few years ago, and now that has been marked down and I think most people would not want to go back up to 75.

Senator ABDNOR. I was surprised when I was home a few weeks ago I would go 60 without getting into trouble.

Senator HONERKAMP. Thank you very much.

STATEMENT OF RON ROSS, OWNER, DIAMOND CRYSTAL CAVE

Mr. ROSS. My name is Ron Ross. My partners are in the process of buying Diamond Cystal Cave. We have just taken over this year.

Tourism is the second largest industry in the State of South Dakota producing a gross income that can be multiplied by its citizens. It appears that this vital sector to the State's economy is being overlooked and even put on the back burner in hopes of inventing commerce that can be more predictable.

The visitors to our State ask for very little. We do not build more schools, hospitals, or roads to fulfill their needs. Instead, the moneys they bring help us maintain a better quality of life and provide for the people of South Dakota.

One thing the visitor does require is the ability to obtain the necessary information to enjoy his vacation, with billboards representing one of the major forms of media available to accomplish this task.

Most businesses rely on some form of advertising to bring their product or service to the attention of the consumer. We have taken an extensive survey at our cave to find what type of advertising is paying us a decent return. About 15 percent said that billboards were what brought them to us and another 10 percent said that billboards were a significant factor in bringing them out. This represents one-fourth of our business affected by billboards.

We have two outstanding attractions in our area: Wall Drug and Reptile Gardens. I am sure that more than 25-percent of their business can be related back to the billboards. Each of these two attractions were started by men who saw the importance of billboards long before others. It would definitely be unjust to tear down in a matter of seconds what it has taken a lifetime to accomplish.

But, what about new business? Visitors to South Dakota do not have an endless amount of disposable income. We must and do compete for each visitor. Competition is the only assurance the visitor has in the long run that he will be treated fairly. This is one of our main objectives to see that a new business or even an older one can have the opportunity to compete using billboards if they believe this to be an effective form of advertising.

We must increase the supply of billboards if we are going to allow the small business a chance to compete. When Don and Maxine Mullivan bought the Avanti Motel in Rapid City in 1978 there was a 5-year contract on the two billboards, one on each side of town out on the interstate. The cost was $68 each per month.

When the contract expired at the end of the year another contract was in the making for $300 each per month. They could not afford the billboards.

Why such a jump? The law of supply and demand took over. Billboards are a premium form of advertising and when there is a limited amount of them there is a natural price structure created that eliminates small business the ability to inform the visitor about his product or service and they both suffer, with competition taking a backseat.

Billboards add a dimension to advertising whereby the consumer can be educated to one's price, quality of operation, or some other aspect of one's business that sets you apart from others. We only have to look around and we can find people who are content with the status quo. People like this do not want the public educated because they know they will have to change or others will gain more control of the market.

At the same time I would never want the laws such that we will find a billboard atop Mount Rushmore. There are too many instances where the beauty of the Black Hills is threatened by tacky billboards.

Hopefully the testimony presented will give the Transportation Subcommittee some insight into the importance of billboards and we can once again achieve a time when our elected officials do what the citizens want rather than to do what their wives want.

We respectfully submit that the law be abolished.

Senator **Abdnor**. Thank you.

STATEMENT OF OBED OLSON, OWNER, SPEARFISH KOA CAMPGROUND

Mr. **Olson**. My name is Obed Olson. I own KOA Campground, Spearfish, S. Dak.

I want to thank you and the committee for the opportunity to be here for a few minutes to express this man's point of view and my own specific given situation.

Before I make my germane comments, which I came down prepared to do, I would like to just answer quickly, Jim, your question to the previous witnesses on how you can demonstrate that a billboard is important in terms of motels, restaurants, and gas stations. Won't they find a place to eat, sleep, and get gasoline? My answer is: If you don't want anybody in your driveway, don't tell them your address and don't tell them your name. That's an old saying in Spearfish. On the mountain of Crow Peak, which is west of me, if you don't want anybody on the mountain don't build a road. Nobody will get there.

Now, my specific comments today is, No. 1 the 1965 highway beautification law probably is one of the most expensive pieces of legislation that has ever come out of the Congress from the standpoint of the consumer. Not only have I spent thousands of dollars over the last 15 years going to meetings, to Pierre, doing research, writing and speaking testimony against the concept of the law, but specifically the ludicrous and ridiculous regulations which brings me to the second point of what is really wrong with the highway beautification law in specifics.

It is the most unyielding group of bureaucrats I have ever seen in my life that compose the Department of Transportation of the Federal Government. Their record is absolute. No adaptation to the geography, to the people, to the needs of the citizens of any particular State, and, particularly, of the State of South Dakota.

Evidence for that strange statement is the Administrative Law Judge Fifer when he heard the hearing in Pierre in which I took a week out and went every day to that hearing so I could personally hear what took place, because I had great faith that a judge, if he would rule in favor of South Dakota under the present law that we had at that time, that there would be some arm twisting, but eventually you would have a reasonable situation.

Judge Fifer's decision as an administrative law judge, I will read it.

He said in the last page of that opinion, "I recommend strongly that the Department of Transportation"—I am paraphrasing here—"and the State of South Dakota Department of Transportation get together and make out an arms-length transaction." and he flatly ruled literally 100 percent in favor of the State of South Dakota.

But, these gentlemen and the Department of Transportation in the Federal level, gentlemen, I swear they took their training in Russia.

No. 3, specifically what has been done to this particular individual, Obed Olson and my particular property called KOA Spearfish?

In 1962 to 1968 I owned and rented from the landlord, the individual that owned the land, eight billboards at a total cost of $500 per year in sign rent. Today I own three signs which I have had to rent from the large commercial sign companies; namely, White International and National Advertising, which is a subsidiary of 3-M Corp. My cost has gone to $4,824 per year for these three signs. Two of them are 10 by 40's and the other one is a relatively small one which is nine-tenths of a mile north of my property on Highway 85. The cost is excessive based upon what has happened not only the last 2 years, but even when there was good business back in 1977 and 1978. But I have no choice. I have to have a billboard.

The KOA registration slip at the registration desk has file little boxes which ask: How did you find us: handbook, word of mouth, referral, another guidebook, billboards. Fifty percent of my registrations are billboards. The other, about 35 to 40 percent is KOA handbook and the rest is miscellaneous, referrals, and so forth.

Now, they expect to find the KOA campground when they are camping KOA. But, they don't use the handbook per se. They are looking for that billboard to tell them where my campground is. And what I say relative to my own property, believe me I know that it applies to every other campground in the State of South Dakota, whether it is a private campground or in the KOA system.

Now, I would like to also point out that the campgrounds of South Dakota which are the KOA's of South Dakota is in a legal common profit association. Our association puts out $5,790 over a period of 4 months for poster boards. There is a difference between a poster board and billboard. A billboard is a sign that is up 12 months of the year. A poster board is a paper, what have you, like, for Cutty Sark Scotch and it is there for 3 months, or 4 months, then somebody else buys the space. We put our $5,700 in and the 13 KOA's of South Dakota of part of our total advertising project. This is a total of seven signs with an average cost of $827. And believe me, without disclosing—I am going to disclose it anyway because anybody who has got a brain in their head know you are broke, just how bad you are broke.

Last year I subsidized my KOA campground to the tune of $20,000 cold cash and how I raised that money is my private little secret. I didn't use a .45 automatic, but I did use a considerable amount of persuasion with friends who literally put their checkbook on the line and said, "If I don't get it back, I don't. But we will gamble that you will turn around in the next couple years."

So, the cost of signs have gone up tremendously because of the limited number and it is like our gentleman down here to my right says: Demand is there and the quantity is not there. In other words, you have a very narrow limit of number of sites available for commercial billboards under the present law as it applies in the State of South Dakota, and it is ridiculous when you look at the millions of acres in this State and across hinterland, from here to Sioux Falls, that you shouldn't be able to have signs.

Now, the last point. I don't know what I would do if I lost my three signs. I don't think I would really make it and I know that the Badlands KOA at Interior, which is really off the beaten path, because I am off exit 10, Interstate 90. I don't know what the Badlands KOA would do. I don't know what Mr. Freeman would do at this Murdo I-90 KOA and Kennebec, and Chamberlain, and Mitchell, and believe me a billboard is important.

I have been 20 years in the industry and I speak with conviction and I know I am right. You have got to tell people where you are at and what you are selling and what you have to offer in terms of service.

Finally, the anser to this give situation is very simple. Gentlemen, we have a lousy law. Please kill it and return billboard control back to the States. Thank you.

Senator ABDNOR. Thank you for your information.

Mr. Freeman, go ahead.

STATEMENT OF GLENN FREEMAN, OWNER, I-90 MIDWAY KOA CAMPGROUND

Mr. FREEMAN. My name is Glenn Freeman. I am a farmer-campground owner-operator. Additionally, to make ends meet during the first 3 months of each year I have become a ward of the State of South Dakota as a member of the legislature.

As a young farmer and rancher with a family, the years from 1953 to 1960 decisively determined that I could not make a living on the small farm-ranch combination my father left us. I worked several winters in aircraft plants, on road construction projects as well as mail carrier in order to just hold our place together. I yearned for the means to stay at home full time.

Early in he 1960's I became aware of the increasing number of camping units passing our ranch bound for vacations in the Black Hills and Yellowstone Park. I began to dream of starting a—then relatively unknown—type of business: a campground. That dream bore fruition in December of 1964 when I became one of the first 35 franchises of Kampgrounds of America.

The first year, with only two small signs, we accommodated only 700 camping units. By 1978, our last good year before the current energy "crunch," we had grown from our original 60 sites to 164. Also, along the way we had added a heated pool, laundromat, gameroom and boat rentals and eleven more signs. Now, in our 17th year our original investment of $38,500, we are worth nearly $300,000 at the campground alone. Even though we work 16 hours daily, 7 days a week, it is great to stay home.

I first heard about Lady Bird at the 1966 annual KOA convention in Denver. A man from 3-M addressed us there, saying that in some States many signs had already been removed. I well remember saying at the time, "They can't do that, it is unconstitutional." I believe I was right in both contentions. Highway beautification can't be totally enforced and, at least in South Dakota, it has been found unconstitutional.

In the years since, I have been active in resistance to highway beautification. I have joined and cooperated with various organizations with tourism concerns, have lobbied part and full time in the legislature at my own expense, have been a plaintiff in the lawsuit *Hogen, et al.* v. *South Dakota Department of Transportation,* and have spoken to groups to encourage their resistance also.

More recently I was confronted with a possible lawsuit which Federal bureaucracy was forcing on State bureaucracy against me to signs erected in 1973. I thank the Secretary for the reprieve of 1 year on highway beautification.

In those first years of opposition, I was angry over my denial of the right of free speech assured under the first amendment, while magazines like Playboy and Hustler were allowed to operate under its protections. In later years with knowledge, my concern has gradually turned more to the denial of landowner's rights. The soil under the signs has become more important to me than has the billboards,

At the time of the constitutional convention many years ago, James Madison spoke out prophetically to this time and this issue. He said:

> The Freeholders of the Country would be the safest depository of Republican liberty. In future times a great majority of people will not only be without land, but any other sort of property. These will either combine under the influence of their common situation, in which case the rights of property and public liberty will not be secure in their hands, or which is more probable, they will become tools of opulence and ambition, in which case there will be equal danger on another side.

It appears that today's previous testimony well illustrated Madison's warning. Through the Lady Bird years we have seen a great deal of ambition exerted, ostensibly to remove signs, but which really seems to have been some sort of "social experiment" which would have put the unelected, remotely located administrators in power at the expense of the people's tax dollars. Attempts to administratively collect all power to control outdoor advertising from a central government have been equally as effective with other such ventures such as the Post Office Department, Amtrak or Social Security.

I am going to omit one short paragraph here, Senator, in my prepared testimony in order to take just a moment after I am through. I am grateful for these hearings, the possibility of a return to State control of billboards. However, I would suggest to those of you in Washington that an end to this controversy can only be referenced when we go one step further and place control in the hands of local municipalities or county commissioners. Let us return to free enterprise, not merely escape the clutches of Federal bureaucrats for the dubious merits of the opportunists who seek Government protection.

The end of my written testimony consists of a letter written by a Dr. Floyd who has been very active on the other side of billboard control from the College of Business Administration, University of Georgia, Athens, Ga. I found this in my legislative things after the session and I responded recently in June to Dr. Floyd and, winding up, a letter pointing the finger at him for the billboard situation in Georgia back in 1977 when I toured there.

Yesterday a letter came from Dr. Floyd which I would like to bring specifically to your attention because it seems that both sides of this issue now agree in accordance with my written testimony that the control should be returned to the States or local governments. That is what Charles Floyd recommended at a recent Outdoor Advertising National Advisory Committee on Outdoor Advertising and Motorists Information.

He proposed that resolution. If you were not aware of that, I felt it important that both sides see it that way.

Senator ABDNOR. He wrote that letter personally?

Mr. FREEMAN. I just got it yesterday.

Senator ABDNOR. May we have it?

Mr. FREEMAN. It is in my statement.

Senator ABDNOR. All I can say, gentlemen, is I think you have been heard loud and clear. I think it has been reflected in some of the happenings that are going on in Washington, I think Mr. Barnhart, and Secretary Lewis, feel a little differently and maybe a little bit more representative of a lot of the thoughts and words we are hearing throughout the country now. They still have to abide by the rules and laws as long as they are in effect, whether they totally agree with them or not.

I think this letter I received the other day from Mr. Barnhart is the first piece of support he had to give us. He received a report from the the National Advisory Committee and that was quite a surprise to everyone so he quickly gave that report as an excuse to give us the extra year reprieve because he is highly sympathetic in many ways. We are hopeful that, as I said earlier, we are going to find the time to get on with the billboard hearings as soon as possible and, of course, this is why we are very happy to have your statements to take back for the record.

I know you would like to have it completely done away with or to have it turned back to the State.

Mr. FREEMAN. That's a big first step, yes, sir.

Senator ABDNOR. We thank you for your testimony. I thank you very much for being with us.

Our last panel is Doris Ferweda and Nona Prang.

STATEMENT OF NONA PRANG, OWNER, CUCKLEBURR MOTEL

Ms. **Prang**. I am Nona Prang, owner of the Cuckleburr Motel at Kadoka. We started the motel in 1977 when gas was cheaper and the tourist business was good. Gas is high and the price of money has risen twofold.

Now, if we can't have billboards to let the travelers know where we are located, we are sunk. In talking to the people who have stayed at our motel they indicate the billboards are a necessity to tell them what is available.

Last year I read an article by a professor at Vermillion who took a poll on billboards from travelers and it showed 95 percent are for the billboards and they appreciate them.

As for advertisements, you all know the story of Wall Drug and what advertising has done for them.

We don't plan to have more than two billboards on either side of Kadoka and we feel we should be entitled to that many. If people don't keep their signs up they should be made to take them down. It is either billboards for small business or the SBA will have a few more sales at a loss to the taxpayer.

Billboards are the bread and butter for small business.

I have just a couple more items. We have the two signs up and we have been given 30 days now to take them down. If we have to take down the signs we will not have any more.

Thank you again, Senator Abdnor and staff for coming back to South Dakota to hear the people speak.

Senator **Abdnor**. Thank you. What happened on these two signs?

Ms. **Prang**. We put them up a year ago. There is no zoning in Jackson County and we got a letter from the State highway department 30 days ago and we have to take them down.

Senator **Abdnor**. They are legal in all respects?

Ms. **Prang**. There was one sign in the same place, I don't know whether it is just because they are new signs. There are several people in Kadoka that have to take them down.

STATEMENT OF DORIS FERWEDA

Ms. **Ferweda**. We have talked about tourism being our second largest industry and I have crossed that out and put "art" because that's silly. Everyone knows that our second largest industry is tourism and my family, like many of you here, probably feel that, well, art is great and it is fine but it really isn't a job to make money on it.

Now, if you stop and think about it, is Mount Rushmore a tourist attraction? Yes and no. You see, it is really an outside sculpture by an artist and if you really think about it South Dakota probably owes more to its artists and to the art here than even New York which is supposed to be a cultural center.

If you could just take a magic wand and wave it and have Mount Rushmore and everything to do with Mount Rushmore disappear, if you did this now also with Crazy Horse and we could include Borglum Story, have these disappear, I think you can see how many businesses are made possible by tourists coming to visit this outdoor art gallery, which it is. It is really something, if you think about it. It is quite mind boggling.

The billboard industry has gotten some really bad press over the past years and for this reason, and to promote a good positive image of billboards, we conducted the outdoor art contest this past year. It was to promote South Dakota artists, but at the same time it was also designed to be a good public relations vehicle for the billboard industry, something very positive. There are two good items we have lately: "Signs of the Times," which is a national trade publication. They want to do a four-page feature article on the outdoor art contest here in South Dakota and we are hoping they will aim it from the viewpoint that this is a public relations effort.

The second thing is to show what we have been able to do with billboard outdoor displays, the foundation for the arts which is connected with the South Dakota Arts Council which is interested in taking on this project and, of course, right now they are kind of stalemated because much of their funding depends upon Government and one of my own personal views is I like the idea of the foundation taking it on because it is, you might say, dealing with private business rather than Government where we can depend more on private business for funding.

We also have our two entries, Paul Gobel—I am sure many of you have seen his work—is one billboard entry, was a winner, and it has been sold for $400. Then, one of our other winners, Jim Pollock, told me yesterday that he was so really pleased with this outdoor art contest because it has been able to promote his career more than anything else this year.

One thing I would like you to think about really hard now, is rights. We have heard so many times in the last few years civil rights, women's rights, Indian rights, et cetera. I think really this is one thing that has been tearing our country apart and how many of you have heard of anyone eager to start a civil responsibilities group? I really can say this from the bottom of my heart: I do hope that the outdoor display industry will have control or that these billboard situations will be turned over to the control at a more local level of the State and that all those who use signs will form a billboard rights and responsibilities group. Not in actuality, but in spirit so that those conditions which brought on the last public outcry won't happen again and it is the idea that democracy is built on a balance. This balance is more apt to be a teeter-totter, if we look at history.

To end on a cheerful and throughtful note, if you have seen the portraits of last few Governors hanging in the capitol you would be interested in knowing that these beautiful works of art were painted by a man who has made his living designing signs in our State, and John Wilson, another one of our top winners whose work appears on billboards statewide, won this year's duck stamp contest and he quit his job now and he is working for a sign company.

The last thing. A little while ago I ordered this book—it just came out—"Verse by the Side of the Road," by Frank Rawsome, which tells of the general effects for roadside signs. What it is, it has to do with targeting your market area, making the most effective use of billboards reenforcing with creative ideas.

That's all, Jim, and thank you very much.

Senator **Abdnor**. Thank you, Doris. That certainly is a whole new concept to advertising and a very positive statement. I wish I could take you along to say all those things to the committe members. Your testimony will be very helpful and I am sure all the people who rely so heavily on the billboards are grateful for your approach here on the subject.

I wish I had some quick answers for you. We appreciate your coming to our session today and offering your testimony and, again, I assure everyone that every bit of it will be going into the record and will be looked at as we get ready to mark up these pieces of legislation.

We are going to recess. We have quite a group of witnesses to appear this afternoon. We will start off with the mayor. Thank you all for your participation this morning.

AFTER RECESS

Senator **Abdnor**. We are going to start off with the mayor, Arthur LaCroix.

I am happy to have him here and have his input.

Jim Bell, who is chairman of the board of the South Dakota Chamber of Commerce was also going to appear, but I have notice that he was unable to make it. I think he submitted a statement, but I don't think he was going to appear himself.

Mayor, we will ask you to come forward, if you will, and be our leading witness this afternoon. You do have statements we can pick up?

Mayor **LaCroix**. Yes.

Senator **Abdnor**. Go ahead.

STATEMENT OF ARTHUR P. LaCROIX, MAYOR, RAPID CITY, S. DAK.

Mayor **LaCroix**. Senator Abdnor, we thank you very much for this opportunity to address this important issue for our State and city.

The results of recent Federal, State, and local elections have made it clear that the American people expect more fiscal restraint on the part of their elected officials. However, budget cuts wholly coming from funds derived from user fees should be viewed differently from the Federal general fund. Therefore, I favor budget cuts and fiscal constraint in the Federal general fund. For the reasons stated above, I don't think that the administration's proposal to eliminate Federal aid for urban highway programs is equitable nor appropriate.

Rapid City has 247 miles of streets, 45 miles or 18 percent are Federal aid urban system routes, and another 29 miles or 12 percent are Federal aid primary routes. Fully 30 percent of our city's highway mileage is on the Federal aid system. The funds for these Federal aid routes come from the highway trust fund. The highway trust fund, as you know, is derived from user fees such as motor fuel taxes and taxes on oil, tires, and other accessories. Since the majority of the revenues for the highway trust fund are generated in urban areas, I think it is entirely appropriate that a portion of those highway trust funds revenues be returned to our urban areas.

According to the U.S. Department of Highways, over 60 percent of the vehicle miles of travel on our Nation's highways is on urban streets and that percentage is expected to increase more than 23 percent in coming years.

Rapid City annually receives about $900,000 to upgrade and/or reconstruct our Federal aid urban urban system routes. A project currently underway in Rapid City at Fifth Street is costing almost $1.5 million per mile. Needs clearly exceed resources. If the Federal aid urban system funds are eliminated, as the administration is proposing, much of the needed reconstruction of our major streets, not to mention construction of new facilities, would come to a virtual standstill.

The city has and will continue to the degree possible, to maintain our local street system, but we will need continuing assistance in upgrading the Federal aid urban system and Federal aid primary routes that serve the regional and interstate visitors to our area.

For these reasons, I oppose the administratrion's proposal to eliminate Federal aid urban system funding assistance. Thank you.

Senator ABDNOR. Thank you, Mayor. As you might guess we were in Sioux Falls yesterday and Mayor Knobe testified and had much the same views as you did. You are probably aware that we have before the committee two different bills. One is the administration's proposal as you made reference to here, and one is the committee bill. I am afraid that as time goes on it is going to get tougher and tougher, but at least it gives cities, States, and localities an opportunity to hopefully get the economy turned around and maybe come up with some other kind of solution.

Now, you say you have been receiving about $900,000?

Mayor LACROIX. Between $800,000 and $900,000 a year.

Senator ABDNOR. I am sure that would represent a lot of tax dollars. If you were to continue, that's really what you would have to generate in taxes from the city; is that right?

Mayor LACROIX. Yes, the course of those dollars we think generated from the user fees as we have indicated in our report to you here. Those user fees come from gas taxes and other uses of our highways that are paid by the users. We think those funds are separate and distinct from the Federal general funds and, therefore, should be viewed differently, and I think our problem there is that equitable distribution of those goes back to the local governament.

Senator ABDNOR. Just as an example, the $1.5 million cost for the Fifth Street project you referred to, if you do receive the $900.000, how do you pick up the remaining? Mostly from the city?

Mayor LACROIX. That is picked up through State and Federal dollars on an 80-to-20 match. The State has been matching our match for us; in the larger cities through gas taxes that we do not receive as a city from the State. Not all States do this. Some States require that the cities themselves pick up the entire match. However, since Rapid City and the major larger cities of our State do not participate in the tax revenues, the State then puts those into providing the match for the Federal dollars.

Senator ABDNOR. In the bill that the committee drew up we probably show partiality over the administration bill which would change the Federal-State matching ratio for the urban system from a 75-to-25 match to a 50-to-50 match. How does that strike you?

Mayor LACROIX. This would, of course, depend on whether or not the State of South Dakota would allow us as a city to use gas tax revenue generated by our populace, and I don't know if that's a feasible alternative or not at this time. I am sure that the State Department of Transportation would put more reliance on the cities themselves to put up with a portion of that match.

In addition to the contribution they are already making on the gas taxes collected by the State and Federal Government I think that too would be a hardship.

Senator ABDNOR. I think it is going to get tougher and tougher from my end, too. This morning I was pointing out that the trust fund collections in the last few years have been less than what we have apportioned out. I guess they had a reserve to fall back on so we are all experiencing the same problem. We hope to do the best we can without cutting the States and localities off too rapidly. What do you think would happen in Rapid City if the Federal program went through and shut off in 2 years? What would really happen? Would you just have to let your streets go or you come up with another solution?

Mayor LACROIX. Raise it through a tax revenue and, Senator, you and I know the condition of that. We would probably not get that job done nor could we possibly expect our community, for instance, to come up with a million dollars, for instance, in street projects through property tax assessment nor could we take a street, for instance, that involves many blocks or miles of streets and logically assume that we could do an assessment project for those streets because of the numbers of people involved and the numbers of dollars required of those people to absorb that assessment.

We think the Federal and State highways that go through our communities are a responsibility of those two entities as well as the local entities. It is not a burden that should be shouldered entirely by the local community itself. In other words, these routes that we are talking about in the city of Rapid City, other cities in our State indeed serve the interstate system and without those routes being maintained or constructed, interstate travel would be affected also.

So, we view the responsibility of these types of streets and roads as something more than the community's liability.

Senator ABDNOR. Thank you. What kind of a Federal requirement actually adds the greatest cost to the urban system? Maybe you don't follow it that closely.

Mayor LACROIX. The only time that we have questioned the wisdom of some of the regulations, Federal highway regulations, is that when we built or constructed or redid a street that was formerly two lanes and one lane would have supplied our needs on the local level for many years to come, Federal requirement was a four lane on some areas or some routes. We think this was an unnecessary requirement in our view that we would have been just as well off with a two-lane type street in that locality rather than a four lane. That's about the only thing.

Senator ABDNOR. I appreciate your input, Mayor. This is very helpful to us. We are happy our staff could be here to hear this. Thank you very much.

Mayor LACROIX. Thank you, Senator Abdnor and good luck, God bless you.

Senator ABDNOR. Our next panel is Jack Dier, Don Wagner, Bill Tarrell and Mary Homelvig. Go ahead.

STATEMENT OF JACK DIER, SUPERINTENDENT, PENNINGTON COUNTY HIGHWAY DEPARTMENT

Mr. DIER. Senator Abdnor and members of the committee, we wish to thank you for the opportunity to express our concern regarding the proposed change in Federal highway legislation.

For many years the Federal aid programs have encouraged cooperative effort between Federal, State, county, and city departments. This effort was directed at maintaining and upgrading our vital road system. With the proposed end to the Federal aid programs we see a possible end to this cooperative effort and a further deterioration of our road and street system. Poor roads affect every American directly and indirectly. Poor roads increase the cost of delivering products and service. They mean higher fuel consumption. They mean unsafe conditions for the traveling public.

Our ranchers and farmers pay a Federal fuel tax on all fuel used in their farm and ranch operations. Under the proposed changes our farmers and ranchers will not benefit directly since their fuel tax money will not be invested in the roads that they most commonly use. In Pennington County our roads receive higher than normal use due to the tourist traffic. The money received from the Federal fuel tax will not be used on many of the roads used by our visitors.

Our county has well over 200 bridges, 25 percent of which are presently eligible for replacement under criteria established by the bridge replacement program. With the Federal aid provided we have been able to replace two bridges per year. At this rate it will take us 30 years to replace just the currently eligible bridges. Without Federal aid funds our bridge replacement program could suffer a serious setback.

In 1980, we were able to, for the first time, paint the centerlines and edges of our major secondary roads. It became possible, due to the receipt of Federal funds, for pavement-marking projects. Without these funds it is unlikely that our county will be able to afford this very worthwhile project.

The Federal aid secondary funds received by Pennington County have been very much appreciated. Over the last 30 years we have received an average of $249 per mile per year for work on our Federal aid secondary roads. While not a large amount, when accumulated it does allow us to do worthwhile projects.

We recommend that the Federal aid program not only be continued but be increased rather than decreased. We also suggest that unnecessary regulations and design features be eliminated.

America must have an adequate road system. This mean a good interstate and primary system supported by a good secondary road system.

Thank you for your time and interest in this matter.

Senator **Abdnor**. Thank you, Mr. Dier.

The next witness is Mary Homelvig from Fall River.

STATEMENT OF MARY HOMELVIG, CHAIRMAN, FALL RIVER COUNTY COMMISSION

Ms. **Homelvig**. Thank you, Senator Abdnor, for the opportunity to testify today.

I am Mary Homelvig. I am a member of the Fall River Board of Commissioners and currently serving as chairman of the board.

Fall River County is in the Southwest corner of South Dakota and encompasses an area of 33 miles north and south by 54 miles east and west, and includes some 800 miles of county operated and maintained roads. With a population of approximately 8,400 people and over 7,000 of these people concentrated in 7 towns, you can see that much of the area served by these county roads is very sparsely populated.

Of the 1,142,000-plus acres in Fall River County, approximately 350,000 acres are nontaxable Government land. In the northeast corner of the county we have approximately 8,500 acres of land within the Angostura Irrigation District that is irrigated and, for tax purposes, valued at somewhere around $400 per acre. Except for these irrigated acres, the bulk of taxable agricultural land in Fall River County is valued somewhere between $61 and $125 per acre for tax purposes, with the bulk of it for the $61-per-acre value. With property tax being the main source of tax revenue for counties under South Dakota law, this does not provide unlimited funds for county expenses.

With a taxable value based on these low values, we would be hard put indeed to levy many additional tax dollars to contribute toward our county road system. So, you can see why the Federal aid system funds and the Federal bridge-replacement matching funds are so important to a county like ours.

Based on the expertise of my two fellow commissioners, who are cattle ranchers, it is a fact it takes 30 acres of land in Fall River County to support a cow/calf pair, and any additional tax burden on these agricultural acres, especially in these times of lower cattle prices, threatens to force many of our farmers and ranchers out of business.

Our road maintenance problem has been compounded in the last year or two by the fact that there has been considerable oil, gas and uranium exploration in the western area of the county with relatively small return to date of severance tax or other revenues. Half of what severance tax we have received from the few oil wells that are presently pumping has been applied, according to State law, to assist our school districts with their impact due to this exploration, so a relatively small amount to date—about $6,000 per quarter—has been available to road construction and maintenance—a small amount indeed to mitigate the impact of these energy related activities.

With even the cost of grading and graveling a 33-foot county road running somewhere between $20,000 and $50,000 per mile, depending of specifications and availability of material, it is obvious it will take a lot more severance than we are getting to keep these county roads, being overused every day, in adequate repair.

In addition to the impact of the oil and gas exploration, the Burlington Northern Railroad, which runs through our county, has done considerable work updating their track to accommodate the coal trains running from Gillette, Wy., to Grand Island, Neb., and this trackwork has added to the impact on our roads in that corner of the county.

South Dakota's present laws taxing railroads has allowed the Burlington Northern to receive most of their tax money back as credit for updating track so the county receives very little, if any, from them to apply toward road maintenance.

The Federal aid system funds we have been receiving have been invaluable as they have enabled us to keep our 800-plus miles of road, and especially the bridges, in shape without an impossible burden on our tax payers.

As a county we face possible cuts in Federal revenues in other areas such as social programs, revenue sharing, and payment in lieu of tax on Federal lands—areas where we may have to depend on local tax revenues to meet needs now met by Federal money.

We would appreciate your recommendation to the Congress to continue this Federal aid to county highway systems and bridge replacement programs. Thank you very much.

Senator **Abdnor**. Thank you, Mary. I appreciate that statement.

Mr. Johnson, go right ahead.

STATEMENT OF WILLIAM J. JOHNSON, COMMISSIONER, HARDING COUNTY COMMISSION

Mr. **Johnson**. Thank you, Senator.

I am William J. Johnson, a Harding County Commissioner testifying on behalf of the Harding County Board of Commissioners in support of the Federal aid secondary funds to be funded as so done in the past.

I will begin with a short history of Harding County's involvement with this funding. Since 1951 Harding County has received a total of $1,726,121.47 of Federal aid secondary funds; $764,194 has been transferred to other counties and the State of South Dakota for the use on State highways. The reason for many of these transfers were for the upgrading of State roads. In other cases there was a desperate need in the area for State road repair. The remaining $961,937.47 has been used to construct 22 other county projects.

Harding County is basically agricultural and roads are a major factor in the transportation of food and fiber to market. Harding County is a sparse area, approximately 50 square miles with a population of 1,700 people. Funding roads for this area by local taxing is nearly impossible.

We feel moneys collected by the Federal Government on gas tax, which is used to fund the Federal aid secondary funds, should come back to the low populated areas, not just the more heavily populated areas, because of the need and importance of food and fiber to the United States. Without good farm to market roads it will mean higher prices for food and fiber along with higher fuel comsumption for use when we need conservation of fuel.

In 1953, Harding County became an energy producing area which, since that time, has grown to 100 plus producing oil wells and a number of gas producing wells. In the exploration and development of this energy, additional strain has been put on our funding from local taxes for the road network necessary for this industry.

Harding County Commissioners feel that directing funds to more populated areas and leaving low populated areas without is not a fair consideration of funds collected from all areas in which agriculture, oil and gas development are high users of energy.

We feel that the agriculture and energy producing areas should be important in the division of these funds because of the great importance of food, fiber, and energy development.

Senator **Abdnor**. Thank you very much.

The last statement is from Bill Tarrell.

STATEMENT OF WILLIAM H. TARRELL, HIGHWAY SUPERINTENDENT, FALL RIVER COUNTY

Mr. **Tarrell**. Thank you Senator Jim. It is my pleasure to be here. It is always good to see you.

You have a copy of my testimony. I am going to vary from that somewhat to get away from the repetition that may be between Mrs. Homelvig and myself.

As Mrs. Homelvig said, we are a large county with 1,600 some square miles and a low population with about 1,000 of the rural people paying the highest shares of the highway cost. I recognize this is not true in counties like Pennington County in Rapid City areas and, as a past president of the highway superintendent's association I certainly understand their feelings and I go along with those feelings that if we lose these Federal funds the State of South Dakota is going to be in a terrific amount of trouble.

When I came to Hot Springs some 14 years ago we had 50 some bridges on the system. I eliminated that down to 31 by regrading some of the roads and removing some of the bridges and putting culverts in. During this period of time we built 10 new bridges, 7 of them with the use of FHAS funds and we are at the present time ready to let 1 more bridge to contract. And, we have 1 more bridge that was burned up by the irrigation district that I am rejuvenating with county funds during the year.

Now, at this time we have some 20 bridges left on the system, or 21 until I rejuvenate this one, that are in the 30- to 60-year-old range with 12 of these built by the Bureau of Reclamation on the irrigation project some 30 years ago.

Fall River County maintains these bridges. They have a signed agreement and, according to law, I believe Federal and State as well, that we must do this.

Senator, through the years here the 7 bridges that we have constructed with the use of FHAS funds would not have been possible to build these bridges without the use of these Federal moneys. I estimate out of the 20 bridges that are left that we must build, probably within the next 15 years that there are only 8 of those, if we lose this money, they will not ever be built because we do not have the tax base to build these bridges. It is just too big a burden and I am sure that everyone here recognizes that fact.

We are undergoing energy impacts which, as you know, is reducing the serviceability of our bridges. We are expecting before the end of the year some 45 drill rigs in our county. They weigh in the 100,000-pound range and what they can do to a bridge that was designed with an 8 to 10 load rating, you just can't believe.

However, most of them are real good people and they either ask us to build detours or they build them themselves. But, sooner or later someone is going to get onto these bridges and the fact is that a number of gas holes have been opened up in our county. They are not producing yet because we have no gas line, but in the future we are going to have a lot of people running around our county that are going to be building gas lines and developing oil well systems.

The problems that I have experienced and that I have heard is that the president of the South Dakota Highway Superintendent's Association would like to see a relaxed situation of the standards. Some of this involves our State people because certainly they are involved in this program as well and should this program continue as long as I am a highway superintendent, I will make an effort to reduce some of these standards, and I think I have a picture in the back of my report which shows two bridges that are exactly identical. They have prefabricated decks on them. The only difference in these is the length of the span, but yet the engineering cost to the county and the overall cost to the Federal Government goes up with the thing because of the fact that you have to have separate drawings, et cetera.

I would like to see the standards relaxed somewhat on the bridges. It doesn't make sense to me to have a 30-foot bridge on a 22-foot top road. I am not going to advocate that we get the people out of this, but certainly there would be some people that would take advantage of it if all the restrictions were dropped. Certainly we must go forward in that angle.

In our county, of course, we have not graded or graveled or surfaced too many highways in the past years, although we have done some grading with FHAS funds in the past—that was before I came to the county—one of the reasons being the specifications for grading and graveling and purchase of right-of-way just gets too expensive for a highway carrying 100 vehicles per day.

In Fall River County the heaviest traveled road is 150 vehicles per day per 24 hour period. But, at the same time when you have 250 vehicles a day travel, the road doesn't last long and contaminates the surrounding area, the ranchers complain about the livestock not wanting to eat the grass next to the highway, and certainly we don't have an overabundance of grass in Fall River County, anyway.

So, in conclusion, Senator, I would just like to urge that everything be done that can be done to have this Federal program continue, and with that I say thank you and good luck.

Senator **Abdnor**. Thank you, Bill. We appreciate the off-the-cuff remarks there and, for the record, we will put your statement in the record. This is the kind of information that we want in the record when we start to take this up and go over it because how it affects everyone, including South Dakota, is important to me, so we really appreciate having this information and we are, I suppose, going to receive a certain amount of pressure from the administration to go for their bill.

However, I do think at this time that the committee bill has the greatest acceptance. Even yesterday in a full day's hearing we had several groups that said they preferred the administration bill, which surprised me, but it means that even out here there is some interest in it. But, that is something we are going to have to be conscious of.

Jack, how effective has the safety funds being spent on the secondary system been, like marking pavement? You have been doing that, you say, since 1980?

Mr. DIER. Right. We did that program last year for the first time in many, many years, to my knowledge, and received a lot of praise and compliments for it. You go up through our hills on a dark asphalt road without proper marking and it is very dangerous. And by doing this it made our people here much more comfortable.

Senator ABDNOR. I suppose yours was the biggest county.

Mr. TARREL. We have used some, Jim.

Senator ABDNOR. You feel it has been helpful?

Mr. TARRELL. It has to be kept up, though, and with the program going down the drain, why, many of the counties will fail to keep them up, I am sure.

Also, I have one other comment, possibly this inspection of the bridge program that has been going on I thought was a very effective program and I suppose that will go down the drain also.

Senator ABDNOR. Was that State or Federal?

Mr. TARRELL. That was bridges on the Federal system.

Senator ABDNOR. Did the State handle it?

Mr. TARRELL. Right.

Senator ABDNOR. One thing about both bills, the administration bill and the committee bill, I think in the regulations there will be more latitude given to the State and localities and I feel that would help. You said in your testimony, Bill, that you have to follow some of these guidelines and you wonder sometimes. Do counties have any input into setting priorities for projects funded on the secondary system? Do you pretty well just have to go along with what is setup for you or does your association have some input into it?

Mr. TARRELL. Well, it is pretty much standardized what inch slope you are going to have, how much road top you are going to have, and so much gravel on it, and the type of surface that is going to be on it.

Senator ABDNOR. You think there should be more relaxed rules on that?

Mr. DIER. Yes, we do.

Senator ABDNOR. I think that would be a major part of either bill.

Let me ask you this: What would happen to the off-system bridges if the Federal funds were limited to the on-system bridges? You are saying you do three a year?

Mr. DIER. We were able to do two a year.

Senator **Abdnor**. And those are the off-system type. What part of the cost of those bridges have been funded with Federal funds? What percentage?

Mr. **Dier**. Eighty percent.

Senator **Abdnor**. Your county has a great many bridges. How many bridges did you say you had in Fall River?

Mr. **Tarrell**. We have 31 left at the present time. We have eliminated 50 down to 31. Pennington County has many more, particularly some of the eastern counties have over 200.

Senator **Abdnor**. The smaller ones where you just have draws and occasionally water flowing through, you could use culverts. Do you have any problems with section 404 of the Federal law? Do you quarrel with that, Jack?

Mr. **Dier**. The State highway department has handled that for us the couple times we have run into it.

Senator **Abdnor**. I guess if you don't change the stream or the flow there isn't quite as much a problem. If you start improving it and you create a new channel, you are in big trouble, I think. We ran into this in Codington County and it can be quite a problem.

I wondered if it was something that occurred quite often, if you find yourselves doing something that is not quite proper as far as some of the other agencies? What I am really wondering: Do other agencies besides highway or transportation give you any problems with Federal laws, Federal requirements, Federal regulations?

Mr. **Tarrell**. No one gives me any problems. Certainly most of these projects are inspected by someone from the Federal Highway Administration.

Senator **Abdnor**. How do you think we could handle the impact from energy development that is occurring? That is an unusual situation. We haven't run into that yet, but your bridges were built for use under normal conditions and you suddenly are confronted with this new development. In your case it must be quite a problem. It could conceivably mean redoing almost every bridge, is that right?

Mr. **Tarrell**. That is very true. Nearly every bridge. The State of South Dakota does not have a program where they set aside some severance tax money, but we were denied any of this money because of the fact that we last received $45,000 from the producing wells that we do have—$40,000 won't even build 1 mile of road any more.

Senator **Abdnor**. How about you?

Mr. **Johnson**. Well, Senator, I sure can appreciate Fall River's problems. We were in this thing together and Harding County was in the oil production ahead of this time and through the years the locals were able to kind of stay up with the problems taxwise, local tax. Then it got to be bigger where more equipment came and we had the same thing that Bill is telling about, having to replace all of the structures on different roads. But, at that particular time when severance came in we started getting a fair settlement of severance back to our county which helped take up some of the slack. It hasn't completely taken care of all of it, but it gave us a chance to breathe, anyway.

Senator **Abdnor**. Did you get any extra funds, more than normal because of this problem?

Mr. JOHNSON. No. I shouldn't say that. That is not quite right because when the severance was originally passed it was on a 4½ percent and 3 percent went to the county and 1½ percent to the State or to a special impact fund which was set aside, thinking of counties like Fall River was the intention of this bill, and so far it hasn't worked out to work that way, to help, but they set that special State fund up to do $1 million with a lid and it is supposed to be somewhere they hand this out to the areas that has the impact.

Senator ABDNOR. I see you have $1,700,000 since 1951 and you said $764,000 has been transferred to other counties. What is that, then?

Mr. JOHNSON. We have traded with other counties. We didn't have the funds at times, for different projects, so we trade with them.

Senator ABDNOR. You all do that? Is that a common practice?

Mr. JOHNSON. We have a State highway. The one that I particularly refer to is Highway 20 running west from Buffalo, South Dakota which is the only gravel road on the State system—I think that's State highway—and because of the regulations it was hard to use these funds, so we transferred that to the State highway commission to put on State highway.

Senator ABDNOR. How much do you have to spend in matching funds with the secondary funds to spend them? How much is it costing you a year to build these secondary systems? I suppose it varies.

Mr. TARRELL. Normally it would depend on how many projects in the program and you would have to bear in mind today, if you have $300,000, and you are going to match it, that won't build much of a project anymore. Maybe 15 years ago it would do a lot of work, but $300,000 today—and I think most of us, you can ask Mr. Dier. He would probably tell you that in Pennington County they are reluctant to start any project at a minimum of $300,000.

In our county in Fall River it is mostly bridge work and I think I said that $28,000 is what we spent in 1979 and 1980 on two bridges built in 1980.

Senator ABDNOR. Are you familiar with the committee bill, referring to bridges? It would be 50-50 instead of 75-25, so however you look at it it is going to make some difference. The original plan was go 2 years and shut it off. We thought that would be too abrupt.

We thank you very much for your attendance here today. Your input is very helpful to us.

Norma, it is nice to have you back around again.

Ms. HENDERSON. Frank apologizes for his not being here. He said you would understand.

Senator ABDNOR. You tell him hello for me.

Who wants to start off? Norma, do you want to go ahead?

STATEMENT OF NORMA HENDERSON

Ms. HENDERSON. Senator Abdnor, members of your subcommittee and representatives of the Department of Transportation from Pierre.

We reject the concept that Highway 16-385, Project F.H. 1-2 (2) F00 16 (11) 37 is necessary. We contend that there is no need for a faster highway through this scenic area where businesses and residences are closely spaced.

In September 1980, the projected cost of this project was $1.22 million plus condemnation, and I presume the cost is higher now. For this vast sum of money they proposed to build a road capable of carrying traffic at 50 miles per hour where there is presently a road posted at 45 miles per hour speed limit. For $1.22 million plus condemnation, they will increase the highway speed 5 miles per hour for a distance of 2.3 miles, whereupon it will be funneled into Main Street of Hill City at 25 miles per hour, then through a school zone at 15 miles per hour, back to 25 miles per hour to the bridge east of Hill City where traffic will pile up at this extremely dangerous bridge of little more than one-way width.

There are no immediate plans to correct this bridge. We contend that this is a ridiculously large amount of money to spend for a ridiculously small result, which culminates at a serious traffic hazard.

This must surely come to you as a fiscal sunbeam because everyone else is telling you that they need more funds and my friends are here to tell you, Senator, there is a cheaper way to do it. We feel that there is no need for this project as planned for reasons of safety. We, and the people of this area, care about safety. We raise our children along this road whereas the gentlemen from Denver and Pierre do not. Lester Shriner, whose wife is here today, operates six schoolbuses along this road and he cares. Six of my children have learned to drive on this stretch of highway. I have two more to learn to drive, and I care.

Every adjacent property owner along that stretch, Senator, recognizes the need for certain improvements for the sake of safety. These include a curve known as Deadman's Curve, and rightfully so. The curve by the Pine Rest Motel and the intersection with Reno Gulch. In each instance there are simple and practical remedies available.

No. 1, straighten the curve by Pine Rest and offer the landowners an exchange of private land for Forest Service land. Don't take their land away and give them money; give them land, it is there.

Cut down the hill before the Reno Gulch Road so there is visibility in all directions.

And, last, do this work so it won't devastate our neighbors in the tourist business.

One of the reasons cited as a safety factor of this road are the incidents of accidents. I suggest that most of these accidents are alcohol related and the road improvement will not change that factor.

I say that the Department of Transportation, the U.S. Government and the best engineers in the world cannot build a road wide enough for a drunk driver.

We reject this plan because of the damages it will inflict upon us and our neighbors. The Hendersons will lose the little pasture with its spring fed water where we exhibit our mares and colts for sale. We will lose the flat, dry area where we stack our hay. The project will obliterate the site of the old brick factory which, at the turn of the century, provided bricks for the Main Street stores in Hill City.

We are not certain how it will affect Spring Creek which flows next to the existing road.

As planned, this project will destroy the businesses of young families who earn their living in motels and campgrounds. It will tear through the fields of the ranch which Shane Shriner's great grandfather established, believing it would be in the family for generations. It will bring Tesoro trucks laden with $2 gasoline roaring through the valley where we raise our families and will pass within 6 feet of my neighbor's door. Our lives and spirits dwell in this land and money won't buy them. Money won't divide our friendships.

In the Hill City School District over 88 percent of the land belongs to the Government and is not taxable. Less than 12 percent of the land is privately owned and supports tax load and the Department of Transportation wants to take some of this away from us. You want to take our precious land by the department's price, and pay for it with inflated dollars which will be worth less when we get them to the bank than they were when you wrote the check. Land is land and money is paper.

We are offended by the manner in which we were advised about this project which so adversely affects our lives. We have received no letter of intent, no written specifics, no correspondence of any kind in writing as to where or how much this project infringes upon us.

We get our information off the yellow line of the road from the cars with the Department of Transportation insignia that drive up and down it endlessly. We get it from gossip and hearsay. Rumor has it that these plans have been changed twice. We don't know how and we don't even know if it is true. Not only have we been due process, we have been denied any process.

Senator Abdnor, we are hoping that you will encourage a reevaluation of this project before it is too late, before they spend these vast sums.

If Ronald Reagan wants to save money, I hope he starts at my bridge. If you should see fit to correct the three problem areas, I believe that the Department of Transportation would be very pleasantly surprised by the spirit of cooperation he would find in that area of people who want to help and not give up their lives for it.

Thank you, Senator.

Senator **Abdnor**. Thank you, Norma. Thank you very much.

STATEMENT OF JUDY SCHRANK

Mrs. **Schrank**. My name is Judy Schrank, and I would, first of all, like to invite you or one of your aids or people concerned, or all of you, to travel that short stretch of road and take a good look at how it might affect the businesses and homes along that stretch. My reasons are strictly personal and that's the testimony that I would like to have on record.

We, Garry and Judy Schrank, oppose the proposed Highway 385 road project between Hill City and Mt. Rushmore, Highway 244. The stretch of road in question is a good, solid road and is not meant to be a super highway. We do agree that there are two bad curves that need to be straightened and that could be done without affecting any homes or businesses. The project as it is now planned does not appear to us to be very cost effective.

We operate the Pine Rest Motel-Cabins 1 mile south of Hill City and we oppose the proposed road project for the following reasons, and they are strictly personal.

No. 1 our motel consists of cottages with kitchens and it is family oriented. This new road would take our Kiddie Korral, walk-in playhouses for children, and a good share of the area where children and adults play. And, parents would not feel comfortable allowing their children to play so close to the traffic.

No. 2, the proposed road would put the traffic too close to the cottages so the noise level and vibration would affect our business. Car lights would flash into the cottages because the bank approaching the motel from the north would be knocked down.

No. 3, the heavy construction equipment and the proposed road would interfere with the drain field to the septic system for the cottages and our home.

No. 4, our atmosphere is not a concrete and asphalt jungle. We have a spacious yard, pine trees, play areas for children and adults, and cottages which are somewhat secluded. The proposed road would, we feel certain, take away the atmosphere that draws people to our cottages.

We might also mention that neither 1979 nor 1980 were very good tourist years. If this road is under construction during the tourist season the traveling public will certainly avoid this area. We have an SBA disaster dislocation loan because of the 1979 season. Another bad year because of construction would put us down even further.

In conclusion, the proposed road would cause our business to lose all its appeal. The people sitting in offices seem to have all the answers but those who have the answers aren't affected by the outcome. Highway 385 is not meant to be a super highway. We want people to relax and enjoy a leisurely ride through our beautiful Black Hills. That is what the people are coming here for. They vacation here to escape the rat race of the cities. Let's not destroy the atmosphere they are looking for.

Senator ABDNOR. Thank you, Judy.

STATEMENT OF MARY SHRINER

Ms. SHRINER. I am Mary Shriner and I am representing myself and Lester Shriner, Jr., my husband.

Senator, we are writing in response to the public hearing you have concerning road improvements on 16–385 south of Hill City. Input from property owners of this stretch of road, including ours, have been negative since our first meeting years ago and still remains the same on our behalf.

The increase in the right-of-way proposed and the road shifting to the west is going to cut our little farm to shambles. The road surface will be raised to an elevation level to our front door along with the road coming closer to our home. It will create a very dangerous situation for us raising our family. We have seen no final plans on the proposed road or temporary easement. The land they propose to condemn is subirrigated, highly productive agricultural land. This land is needed to support our livestock. By losing it, it would create a great economic bondage on us.

We have six buses entering and exiting for a total of 24 times a day. Having our approach raised 6 feet would create a very dangerous entrance and exit for us.

We personally are opposed to this project and I would also like to say that we have talked with Norma and it just so happens to be that these three bad places just happen to affect our land. But, we do agree that they are bad places and we believe that what Norma and Frank have proposed, we are in agreement with that, but not to the extreme they want to do it now.

Senator **ABDNOR**. The curves, is that it?

Mr. Shriner. Yes.

STATEMENT OF JOSEPH BAUER

Mr. **BAUER**. This project has been in the fire for over 10 years now. The road department has drawn up several plans for the road. They have laid it out and where they are taking all the land from, our side of the road, and nothing from the other side. Keep the road where it is and take equal from both sides of the road. We will share equally.

From the meeting several years ago held at Hill City School they told us this is going to be a 50-mile-an-hour road. They drive it at that speed now. They said they will not compensate us for our loss of business. Why? Just remove two sharp curves in the road and resurface it and then all the people that live along this road could possibly live with it.

By putting the road all on our side means the safety for our children. They will no longer get to play in front of the house, but will have to play in the campgrounds.

This puts the traffic too close to the house. When the railroad can shake a china cabinet in the house and it is over 400 feet from the house, what will these large gas trucks do when they are less than 75 feet from our front door? With the speed they travel.

When they start this project what will we lose in customers from all the dirt and noise from this project? Tourists will stay away from this area when they hear of this project and the confusion it will cause.

The plans show a 12-foot road and a 10-foot shoulder. In front of our place a 12-foot road and a 12-foot-shoulder—they are going to give us curbs and gutters That is why they are picking it up, because of the curves, they are going to add another 2 feet to it. Why take more? Go to a plain shoulder. We have it now.

I asked in the meeting of several years ago, "What would the highway department do if the property owners along this section would get a petition up to have the highway department leave the road as is and straighten out the two curves only?" They said they would probably go along with our request and leave the project alone.

We want to keep the hills pretty and scenic, not a big, commercial highway to speed up the traffic and not to see the hills.

This is prime valley property and hard to find in the hills.

Senator **Abdnor**. Thank you. You are unanimous in your disapproval of the program.

I have been through Hill City many times, but is this project about 300 feet one way or the other?

Mr. **Bauer**. Don't ask me which plans they are going by. They have had so many plans drawn up. I have talked with the engineers. They keep changing the centerline.

Ms. **Henderson**. It is difficult for us to appeal to you when we really don't have anything to show you where our damages are. We have no written statements, no letters, and as late as yesterday afternoon I talked to Dr. Mel Scheffel who lives in Omaha, and he has two brothers, Dr. Lloyd Scheffel from Illinois and Dr. James Scheffel from, I believe, Redfield, S. Dak. They own the land above the Deadman's Curve and they have never been contacted about this road in writing, by telephone, or any other way.

Senator **Abdnor**. Is it in the bidding process? Is it getting near that?

Ms. **Henderson**. They are driving stakes.

Senator **Abdnor**. Do they have the environmental assessments for it?

Ms. **Henderson**. Every spring they survey it.

Senator. **Abdnor**. There wasn't any kind of notice or environmental assessment? I think they hold public hearings on it.

Ms. **Henderson**. We have not been notified of any. There was one in November 1979 which was the meeting, and I have the transcript in my file, where they told Mr. Bauer about the property owners were opposed to it and they probably wouldn't do it, and I do have the transcript with me today but not at this table.

Garry Schrank and I found a note pinned on the bulletin board of the post office last summer and came down there at the last minute to a meeting. But, we did not get any communication in writing through the mail or otherwise.

In fact, your letter was the first letter which has come to our mailbox regarding this except there was one in 1979 where they notified us of the 1979 meeting and there was a good turnout at that meeting, but we have no written communications.

Senator **Abdnor**. Do you have reason to think it is getting awfully near to the construction?

Ms. **Henderson**. The only thing we can judge by is the number of cars that go up and down the road and your surveying crews. We do not know. At the meeting that Garry and I attended I believe they said in 1981.

Senator **Abdnor**. Is it the traffic volume that is bringing this on?

Ms. **Henderson**. I don't know.

An Unidentified Person. The appraiser told me that they plan to start. We have Jay's Motel right across the road from Judy Schrank. He told me they were planning on starting construction in November this year.

Senator **Abdnor**. We will certainly check into it. I can't promise you anything.

Ms. **Henderson**. That's all we ask. You are the first person who has offered to do anythng for us.

Senator **Abdnor**. This is probably not the place, but this is a problem in my State and you have a right to have some answers to it. So, we will see what we can find out. None of you really know where the road is actually going?

Ms. HENDERSON. No, sir.

Senator ABDNOR. It is still going through Hill City, they are not bypassing?

Ms. HENDERSON. That's what the coffee shops say.

Mr. BAUER. The stakes move from year to year back and forth.

Ms. HENDERSON. We are bewildered.

Senator ABDNOR. Go ahead, Paul.

STATEMENT OF PAUL R. CROSS, STREET COMMISSIONER, LEAD, S. DAK.

Mr. CROSS. I have make a few minor changes, Senator.

I am with the Lead City Commission and presently serving as street commissioner. I appear before the committee to present some facts concerning Lead's apparent loss of population during the period of 1970 to 1980, and along with that loss of population apparently our Federal aid urban system funds will disappear.

I also would like to mention the fact that the Lead City Commission only last month passed a resolution of intent hoping that in order to maintain these funds that the populations of Lead and Deadwood could be combined which would give us the number of people to continue the Federal aid program.

The Deadwood City Council concurs with this resolution.

If either myself or any of my colleagues had the supernatural powers to make water run up hill I am sure I wouldn't be here today. As you are probably aware cities of fewer than 5,000 population are not eligible to participate in the urban systems funding program.

The preliminary 1980 Federal census figures released only recently indicate that the population of Lead decreased during the past 10-year period from 5,420 to 4,376. This drops the city from first to second class status.

Deadwood's population is 2,024, a decrease from 2,406. Because of the lower population in Lead the city commission has been advised that as of October 1, 1981, it no longer will be eligible to participate in the Federal aid urban system project.

This comes at a time when future of Lead, populationwise, is uncertain because of expansion, plans of Homestake Mining Co., increased mining activity for precious metals in the Black Hills, and also at a time when funds are needed to accomplish some badly needed street renovation.

I would like to inject here, Senator, that the South Dakota Department of Transportation has been more than cooperative with the city of Lead in helping to evaluate some of our unique problems of highway, streets, and roadways. In fact, I would go so far as to say the Department has leaned over backward in cooperation with us. The city has participated in the urban aid program for the past several years and during this period several projects have been completed.

At the present time another major project of $328,189 is nearing completion, that of Mill Street, which is a main thoroughfare to Homestake Mining Co. two underground shafts and milling operations. It is projected that as of October 1, 1981, there will remain in the city's urban system fund approximately $65,000.

Last week the city commission authorized engineering for another project for Julius Street, a parallel street to Main.

Mr. Senator, I cite these projects so the committee will be aware that the city of Lead has participated to the fullest in this program, that it has done so in a manner to receive the greatest value for the tax dollar, and to provide the best possible streets for the residents of this mining community to get to and from work in all kinds of weather.

We believe that we are making headway in street improvement. A few moments ago I mentioned that Lead and Deadwood have unique problems, the major one being that most streets run up and down hill, and to my knowledge no other South Dakota cities so closely associated have this in common. Drainage, of course, is a major problem and without adequate curbs, gutters, and street surfacing, runoff from rainstorms and melting snow will follow the course of least resistance and sometimes this is into private yards, garages, and even into basements.

The street department allows in its budget as much as it can to handle many of these emergencies on a short-term basis, but the city cannot extend large amounts of money into long-term projects because of the limited tax base. Hopefully the cities capital improvements program at sometime down the road will help eliminate this particular difficulty.

This includes separation of sewage and storm sewers and continued encouragement to property owners to install and maintain adequate sidewalks.

The resolution of intent does have merit. The cities are only 3 miles apart. They are linked by the same highways, they are as one business community. The school systems are consolidated. The fire and police departments are joined by a central telephone and radio dispatch. The chambers of commerce are now in the process of merging and many people communicate from one city or the other to their places of employment.

We can only speculate that Homestake's plans for expanded operations materialize fully; there is no reason to believe, and there is no reason to believe they won't.

The population of Lead and Deadwood will reverse the present trend and return to more favorable figures. Since an official Federal censuses will not be taken for another 10 years, it would only seem reasonable that the resolution of intent be given consideration at this time and that urban systems funding be continued as in the past.

The cities of Lead and Deadwood are aware that certain policies and procedures are necessary in the administration of Federal and State programs in order to stop chaos and confusion.

I can only ask today that because of present circumstances and future uncertainties the committee give a realistic appraisal of the request. A copy of the resolution of intent is attached.

Thank you very much for letting me present this information.

Senator ABDNOR. We appreciate having it. Thank you very much, Mr. Cross.

Could I call a recess here for just a minute?

[A brief recess was taken.]

Senator **Abnor**. Thank you. You will be giving a statement for Mr. Johnson?

STATEMENT OF OWEN JOHNSON, PRESENTED BY MR. HALL

Mr. **Hall**. Yes.

Senator Abdnor, I have been asked to speak on behalf of Owen Johnson. He had a conflict at this time.

First of all I would like to say I do not have a conflict with the people that spoke on the panel ahead of us. They are friends and neighbors of ours. Our concern is the need for an improved highway in and through Hill City and his statement here shows the accident reports for the area for the last 5 years. I don't think I need to repeat that.

I am not a design engineer, so I am not going to say what should or should not be accomplished on that highway except that there is need for improvement south of Hill City, through Hill City to the Keystone Wye.

You may not be aware of it, but the highway outside of Hill City ranks second of third in the State of South Dakota for the amount of traffic carried and this ranges from over 2,000 a day in the wintertime to approximately 5,000 in the summertime, and it is probably one of the worst highways in the State of South Dakota. I am speaking not only of the area south of Hill City, which includes Deadman's Curve that was pointed out before, but also all the way to the Keystone Wye.

Senator **Abdnor**. Are you more aware of where they plan to put this road than the other panel? Do you have any specifics on it?

Mr. **Hall**. No, I do not know the design for it.

Senator **Abdnor**. As far as you know, it is mostly because it is prone to a lot of accidents and casualties, is that right?

Mr. **Hall**. That's true.

Senator **Abdnor**. Do you think just those two curves being corrected would be a big help?

Mr. **Hall**. Absolutely. The same on all of the 13 miles I am speaking of. There is some very dangerous curves all the way along. Like I say, I am not a highway engineer. I really don't know that and how it affects their property, and I am sympathetic when the highway takes their property, but there definitely needs to be improvement on the highway.

Senator **Abdnor**. We will probably be getting into some of this. I want to ask Mr. Cross something.

Regarding the cities of Lead and Deadwood joining together, what would happen if you had to be incorporated as one city and take over and operate as one entity here? I think that might even include each other's indebtedness, and everything else that goes with it.

Mr. **Cross**. I don't believe that that would ever happen. I don't know whether under a joint powers act we would be able to get Federal funding if we—for this purpose of combining our populations. I don't mean combining city government. I don't think that would ever happen in those two cities, historically the way they have been.

Senator ABDNOR. You can see the problem here. What you would want to do here without something like this being put together, probably would exist all over the United States many times over. If you do it in one place you are going to have to do it for everyone. If you take any kind of inventory back east in the more heavily populated areas of the country there are probably a number of areas that can come together within a 5-mile radius and make themselves over 5,000 population. I suppose they have to have some kind of safeguards. I don't know, I have never tried this.

We will be happy to look into it and see what it will involve.

Mr. CROSS. Have you ever run into anything like this?

Senator ABDNOR. I am told by the young lady on my right who has been working on things like this for a long time, that you have to incorporate.

Mr. CROSS. I think our concern more than anything else, Senator, is what possibly might happen, say, in the next 2 or 3 years because of Homestake's plans. In a short period of time we might be back over a population of 5,000 and qualify for the urban system program again.

Senator ABDNOR. In other words, you are concerned they will take another census, conceivably pick up another 600 people and have to wait another 8 years to qualify?

Mr. CROSS. That's right.

Senator ABDNOR. I am told that if it did happen you can request and ask for another census. You would have to pay for it, but under the circumstances you would probably be most willing, if you knew you could come out to the 5,000. We will look into this, Paul.

I think it would be tough to sell, especially right now when they are trying to cut out a lot of funding. We are already doing battle by putting in a committee bill versus the administration's bill. So, we can keep going into these areas for a longer period of time. I suppose even those who might be a bit sympathetic would be a little more inclined to get static because it happens to many places. We will sure look into it. I just don't want to build any false hopes up. The best thing we could do is to get a burst of population into Lead.

Mr. CROSS. This is what we hope will happen.

Senator ABDNOR. Do you think this census was completely right and proper?

Mr. CROSS. No. We were rather shocked. The school census, while it was down a little, wouldn't indicate this much of a drop. Our planning department actually went out and made personal calls around town and picked up quite a number of census forms that had never been picked up, and for this reason we can't believe and we still don't believe it. We wanted to take our own census under the supervision of the Census Bureau and they said, "Absolutely not. You accept our figures."

Senator ABDNOR. You challenged that at the time?

Mr. CROSS. You immediately tried to do this very thing and did write to them. They advised us that we were going to have to accept their figures regardless of what we come up with.

Senator ABDNOR. We can look into that end of it.

Mr. CROSS. We don't think the census is accurate.

Senator ABDNOR. I have a hard time knowing how well they have been doing up here in the last number of years. It would be different if it was when gold was still down to $32 an ounce as it was a number of years ago. I know it has grown, so maybe there is something under the census that they neglected to give you proper notification or answer your request.

Mr. CROSS. If we could just have that $6 or $7 million 1 year that's going to go to the State of South Dakota, we could do a lot of things.

Senator ABDNOR. Would you mind sending us the correspondence?

Mr. CROSS. Yes, I will do that.

Senator ABDNOR. We will try all possibilities to see what we can do to help.

I thank you both for coming.

We have got enough information from the last 2 days to keep us busy. I think this was very necessary. If we get the wrong bill we will be a long time living with it. We are happy to have this input. Highways are so important to South Dakota and this highway beautification thing has been tremendously controversial and pretty one-sided for South Dakota. Hopefully this is the year we might be able to get something done, along with the other problems that have arisen the past day or two.

Anyway, we thank everyone for coming out and making this a good hearing. We appreciate your time.

[Whereupon, at 3 p.m. the hearing was adjourned to reconvene at the call of the Chair.]

[Statements submitted for the record follow:]

SOUTH DAKOTA DEPARTMENT OF TRANSPORTATION
TESTIMONY ON FEDERAL-AID HIGHWAY PROGRAM NEEDS
IN
SOUTH DAKOTA

Mr. Chairman. Members of the Senate Subcommittee on Transportation. I commend Senator Abdnor and the Senate Subcommittee for giving the citizens of South Dakota an opportunity to comment on highway needs and highway beautification. In order to afford others an opportunity to testify during this hearing, I will restrict my remarks to the Highway Beautification Act of 1965 and the subsequent amendments to it which have been codified in Title 23 United States Code Section 131.

It has long been the position of the State of South Dakota that Federal control of outdoor advertising should be transferred to the states through the repeal of the present federal laws and regulations. Our position remains unchanged. In view of ever increasing problems in our economy and in our transportation system, it becomes more imperative every day that the billboard issue be addressed by Congress. It is time for the Federal Government to devote its resources to maintaining a healthy economy and an adequate transportation system. Matters such as highway beautification can and should be the concern of the individual states. We therefore urge the repeal of the Federal Highway Beautification Act.

It has been frequently stated, and I believe generally accepted, that the Highway Beautification Act is unfair to rural states. The states with large industrial and urban areas have considerable mileage of commercial and industrial zones adjacent to their interstate and primary highways. Advertising signs, displays and devices are permitted in these zones and, as a result, urban states are virtually unaffected by the federal law. Rural states, on the other hand, have very limited commercial and industrial zones and, therefore, very limited opportunity to provide reasonable, orderly and effective displays of outdoor advertising.

Section 131 (d) of the United States Code states:

> "In order to promote the reasonable, orderly and effective display of ourdoor advertising while remaining consistent with the purpose of this section, signs, displays, and devices whose size, lighting and spacing, consistent with customary use is to be determined by agreement between the several States and the Secretary, may be erected and maintained within six hundred and sixty feet of the nearest edge of the right-of-way within areas adjacent to the Interstate and primary systems which are zones industrial or commercial under authority of State law, or in unzoned commercial or industrial areas as may be determined by agreement between the several States and the Secretary. The States shall have full authority under their own zoning laws to zone areas for commercial or industrial purposes, and the actions of the States in this regard will be accepted for the purposes of this Act. Whenever a bona fide State, county, or local zoning authority has made a determination of customary use, such determination will be accepted in lieu of controls by agreement in the zoned commercial and industrial areas within the geographical jurisdiction of such authority. Nothing in this subsection shall apply to signs, displays, and devices referred to in clauses (2) and (3) of subsection (c) of this section."

Although the statute is specific in its statement that "the States shall have full authority under their own zoning laws to zone areas for commercial or industrial purposes, and the actions of the states in this regard will be accepted for the purposes of this Act", the Court has not held this to be so. In the case of South Dakota vs. Volpe, the Court held zoning is invalid if the intent of the zoning is to circumvent congressional intent. This ruling has placed the state highway agency in the position of interpreting the intent of local elected officials in their zoning actions. Since zoning rightfully procedes development, determining zoning intent places an unjustifiable burden on highway agencies. It places them in the untenable position of challenging the zoning, by local elected officials, or of facing sanctions for noncompliance based on federal interpretation of zoning intent. Such devisive legislation pits the local, state and federal officials against one another in a conflict that is detrimental to efficient cooperation among levels of government. We can no longer afford such legislation and urge its repeal.

If billboard control is to continue, we believe there should be some definition of an acceptable level of control of the highway frontage to allow reasonable areas for signing and a reasonable percent of the area for preservation of natural scenery. We suggest that the law be amended so that no state shall be required to prohibit advertising from more than 75% of the rural mileage along any Interstate or primary route within the state. Prohibiting advertising from 75% of the rural highway mileage will provide an adequate amount of highway scenery where advertising signs, displays and devices are prohibited to protect the public investment in such highways, to promote the safety and recreational values of public travel, and to preserve natural beauty. Allowing advertising signs, displays and devices on 25% of our rural highway mileages will provide adequate area to properly inform the traveling public of the facilities available to and needed by that traveling public. This proposed change will, therefore, accomplish the stated purpose of the Highway Beautification Act of 1965 while allowing rural states to properly inform the traveling public of the facilities available.

I have attached a copy of the proposed change to 23 USC 131(d) as an attachment to my written testimony.

In lieu of total repeal, further changes should be incorporated in the present federal billboard law. The following sections should be critically reviewed by Congress:

23 USC 131(O). The statute states, "The Secretary may approve the request of a State to permit retention in specific areas defined by such state of directional signs, displays, and devices lawfully erected under state law in force at the time of their erection which do not conform to the requirements of subsection (c), where such signs, displays, and devices are in existence on the date of enactment of this subsection and where the state demonstrates that such signs, displays, and devices

(1) provide directional information about goods and services in the interest of the traveling public, and

(2) are such that removal would work a substantial economic hardship in such defined areas."

To this date no state has had an economic hardship exemption approved by the Secretary of Transportation. As currently administered the regulations governing economic hardship exemptions for outdoor advertising have not provided for "real" hardship exemptions. Failure to approve hardship exemptions has resulted in a severely negative impact on states, such as South Dakota, which have substantial tourism industries dependent upon outdoor advertising.

If the amendment I have suggested to 23 USC 131(d) were passed, states could be given a reasonable percent of their mileage exempt from control to allow the solution of the problem 131(0) was meant to address.

Section 131(b) provides for a 10% sanction on major federal-aid highway program apportionments for states which fail to provide for "effective control" of outdoor advertising.

The sanction method used to gain compliance is objectionable for many reasons. The sanction provision requires states to place undue emphasis on billboard control in funding and staff. The sanction penalty degrades the performance level the Federal mandate seeks to improve; i.e., highway safety and recreational values of public travel. Perhaps most objectionable is the fact that the highway agencies are held accountable for actions beyond their legal control. Finally it is unjust to penalize rural transportation systems to provide a perceived social benefit - namely, highway beautification, when urban states are unaffected by the law.

We strongly encourage the elimination of 131 (b) which provides sanction provisions and 131 (1) which details the sanction procedures. A more productive method for encouraging states to address billboard control would be to provide incentives for exemplary outdoor advertising control.

I trust that I have been able to convey to the subcommittee the serious shortcomings in the Federal billboard law. I would hope that the Congress will take the necessary steps during this session to address the outdoor advertising problem.

Once again I wish to express my appreciation to Senator Abdnor for conducting this field meeting in South Dakota and for the opportunity to present testimony on behalf of the Department of Transportation on the problem of Federal billboard control.

Thank you.

United States Code, Title 23: Highways, Paragraph 131
Control of Outdoor Advertising

(d) In order to promote the reasonable, orderly and effective display of outdoor advertising while remaining consistent with the purposes of this section, signs, displays and devices whose size, lighting and spacing, consistent with the customary use is to be determined by agreement between the several States and the Secretary, may be erected and maintained within six-hundred-and-sixty feet of the nearest edge of the right-of-way within areas adjacent to the interstate and primary systems which are zoned industrial or commercial under authority of State law, or in unzoned commercial or industrial areas as may be determined by agreement between the several States and the Secretary. (((When the zoned commercial and industrial areas and the unzoned commercial and industrial areas adjacent to the rights-of-way of any route on a state's interstate or primary system constitute less than 25% of that state's mileage on that interstate or primary route, that state shall be allowed to designate additional mileage as advertising zones where advertising signs, displays and devices, whose size, lighting and spacing are consistent with customary use, as determined by agreement between the several States and the Secretary, may be erected and maintained within six-hundred-and-sixty feet of the nearest edge of the right-of-way so that the total mileage along any primary or interstate route where advertising signs, displays or devices are permitted, shall, at the discretion of the state, constitute up to 25% of that routes mileage within the state. For the purposes of this Act, the total mileage along any route where advertising signs, displays or devices are permitted shall be considered to be all mileage along that route where there is not a minimum of two miles of right-of-way adjacent to both sides of that route which do not contain a zoned commercial or industrial area or an unzoned commercial or industrial area or an advertising zone. In making the determination of the percentage of a state's primary or interstate routes, where billboards are permitted or prohibited, mileages within urban areas shall be excluded from consideration.))) The states shall have full authority under their own zoning laws to zone areas for commercial or industrial purposes, and the actions of the states in this regard will be accepted for the purposes of this Act. (((Within the limits stated in this subsection, the states shall have full authority under their own zoning laws to zone areas for advertising purposes, and the actions of the states in this regard will be accepted for the purposes of this Act.))) Whenever a bona fide state, county or local zoning authority has made a determination of customary use, such determination will be accepted in lieu of controls by agreement in the zoned commercial and industrial areas within the geographical jurisdiction of such authority. Nothing in this subsection shall apply to signs, displays and devices referred to in clauses (2) and (3) of subsection (c) of this section.

STANFORD ROUTE
TELEPHONE (605) 843-2106
(605) 344-2247

I-90/MIDWAY
Murdo-Kadoka KOA
Franchisee of Kampgrounds of America, Inc.
MIDLAND, SOUTH DAKOTA 57552

TESTIMONY FOR PRESENTATION AT RAPID CITY HIGHWAY BEAUTIFICATION HEARINGS

My name is Glenn Freeman. I am a farmer and campground owner/operator. Additionally, to make ends meet, during the first three months of each year I have become a ward of the State of South Dakota as a member of the Legislature.

As a young farmer and rancher, with a family, the years from 1953 to 1960 decisively determined that I could not make a living on the small farm ranch combination my father left us. I worked several winters in aircraft plants; on road construction projects and as a mail carrier in order to just hold our place together. I yearned for the means to stay at home full-time.

Early in the 60's, I became aware of the increasing number of camping units passing our ranch bound for vacations in the Black Hills and Yellowstone Park. I began to dream of starting a, then relatively unknown, type of business - a campground. That dream bore fruition in December of 1964 when I became one of the first 35 franchisees of Kampgrounds of America.

The first year, with only two small signs, we accommodated only 700 camping units. By 1978, our last good year before the current energy "crunch", we had grown from our original 60 sites to 164. Also, along the way we had added a heated pool, laundromat, game room and boat rentals - and eleven more signs. Now, in our seventeenth year, our original investment of $38,500 and we are worth nearly $300,000 at the campground alone. Even though we work sixteen hours daily, seven days a week, it's great to stay home.

I first heard about Lady Bird at the 1966 annual KOA convention in Denver. A man from 3 M addressed us there, saying that in some states many signs had already been removed. I well remember saying at the time, "They can't do that - it's unconstitutional". I believe I was right in both contentions. Highway Beautification can't be totally enforced - and, at least in South Dakota, it has been found unconstitutional.

In the years since, I have been active in resistance to Highway Beautification. I have joined and cooperated with various organizations with tourism concerns; have lobbied part and full-time in the Legislature at my own expense; have been a plaintiff in the lawsuit, Hogen et al vs. South Dakota Department of Transportation, and have spoken to groups to encourage their resistance also.

More recently, I was confronted with a possible law suit which federal bureaucracy were forcing on state bureaucracy against me due signs erected in 1973. I thank the Secretary for the reprieve of one year on Highway Beautification.

In those first years of opposition, I was angry over my denial of the right of free speech assured under the First Amendment - while magazines like Playboy and Hustler were allowed to operate under it's protections. In later years, with knowledge, my concern has gradually turned more to the denial of landowner's rights. The soil under the signs has become more important to me than have the billboards.

At the time of the constitutional convention, many years ago, James Madison spoke out prophetically to this time and this issue. He said:

> "The Freeholders of the Country would be the safest depository of Republican liberty. In future times a great majority of people will not only be without land, but any other sort of property. These will either combine under the influence of their common situation; in which case, the rights of property and public liberty, will not be secure in their hands: or which is more probable, they will become tools of opulence and ambition, in which case there will be equal danger on another side."

It appears that today's previous testimony well illustrated Madison's warning. Through the Lady Bird years, we have seen a great deal of ambition exerted, ostensibly to remove signs - but which really seems to have been some sort of "social experiment" which would have put the unelected, remotely located administrators in power at the expense of the people's tax dollars. Attempts to administratively collect all power to control outdoor advertising from a central government have been equally as effective with other such ventures such as the Post Office Department, Amtrak, or Social Security.

Also, today you have probably heard from another class Madison warned of. These are the opulent, eager to jump into any possible breech of non-control to assure government protection of their vested business interests. Any such efforts will certainly, again, end up in the Courts as Article III, Section 23 of our state constitution prohibits granting special privilege or franchise by law.

I am grateful for these hearings and the possibility of a return to state control of billboards. However, I would suggest to those of you in Washington that an end to this controversey can only be reached when we go one step further - and place control of outdoor advertising in the hands of local municipalities or county commissioners. Let us return to free enterprise, not merely escape the clutches of federal bureaucrats for the dubious merits of the opportunists who seek government protection.

State Representative

DEPARTMENT OF REAL ESTATE
AND LEGAL STUDIES

COLLEGE OF BUSINESS ADMINISTRATION
THE UNIVERSITY OF GEORGIA
ATHENS, GEORGIA 30602
(404) 542-2126

January 7, 1981

Mr. John Hassel
Federal Highway Administrator
FHWA
400 7th Street, SW
Washington, D.C. 20590

Dear Mr. Hassel:

Thank you for your letter of December 12, in response to my letter of October 29.

I appreciate the complexities of the Highway Beautification Program and the necessity to fully evaluate possible violations. On the other hand, I must repeat my observation that, to the best of my knowledge, your agency has still taken no action to correct any of the violations that I have pointed out to you over the past three years. I sincerely hope that this abysmal record will change in the near future.

In your letter of September 19, you verified the fact that the zoning in Lyman County, South Dakota is not consistent with the comprehensive plan and was obviously enacted to permit billboards. I am still interested to know if any of the 128 signs that have been erected within these areas has yet been removed or if your office has issued any warning letter to South Dakota concerning this matter. Also, I understand that similar "phony zoning" has been enacted in other counties along I-90. Again, has any action been taken to correct these obvious abuses of the beautification act.

In my letter of October 29 I furnished a photograph showing the signs in Clark County, Nevada where the land was zoned for a "one-car parking lot." In addition to the "phony zoning" issue involved in this case, the photograph also shows the entrance ramp on the east side of the highway opposite the signs in question. Would not this make the signs within the "blocked-out zone"? If so, is this not another reason that they should be removed?

In regard to North Carolina, I have made on-site inspections of several of these signs and have additional observations. My data indicate that, contrary to the information given you in the field report, the signs within the "blocked-out zone" on I-85 near Kings Mountain are within the city limits of Kings Mountain. The city limits extend to the right-of-way of I-85 for a short distance in the northwest quadrant of this interchange. The signs, therefore, are legal, although this is an obvious case of the loophole created by permitting signs within the "blocked-out zone."

In Catawba County several signs near mile 130 (sites #1 and #2 in my June 8 letter) are definitely within the "blocked-out zone" and not within the city limits of Conover.

Most of the other signs within Catawba County appear to be examples of the need to require that signs be in areas that have actual commercial and industrial use. East of Hickory, I-40 is located between U.S. 70 on the south and old U.S. 70 on the north. There is substantial industrial and commercial activity on both of these roads and the county has zoned the entire area of several thousand acres along and between these roads for industrial use. In my opinion this could properly be characterized as genuine "anticipatory" zoning, that is, zoning enacted in anticipation of possible future land use. The result, however, has been the erection of many new signs in areas which are rural in character and where there is no commercial or industrial activity.

In a few cases within Catawba County the zoning is very questionable, however. In this regard I refer you to a short paper that I prepared for the National Advisory Committee. A copy of this report is attached.

The report also refers to the signs supposedly erected in an unzoned commercial and industrial area in Buncombe County. The photographs certainly show that to refer to these areas as "commercial or industrial" is ludicrous. Three of the signs (sites #1, 2, and 3 in my June 8 letter) were permitted because of the location of the Clevenger Knitting Mill. The picture shows that this building is "visible" from the travel way, but only if an observer knows precisely what he is looking for. In addition, the attached aerial photograph which was obtained from the Buncombe County Planning Department would indicate that the mill building is located more than 660 feet from the right-of-way. The sign on site #4 was permitted because of the location of Parkway Auto Repair. It appears that this structure is located within 660 feet of the right-of-way even though it is approximately 800 feet from the sign location. However, to call this activity "visible" from the highway is totally absurd. I request that your office certainly review this situation.

I also have studied the review conducted by your agency of the North Carolina program. I am very anxious to see what action if any, will be taken by your office. In addition, I await with great anticipation your review of the South Carolina program.

Sincerely,

Charles F. Floyd

STATE OF SOUTH DAKO
HOUSE OF REPRESENTATIV

PIERRE
Glenn T. Freeman
Route 62, Box 108
Midland, S. Dak. 57552

18 June 1981

Dr. Charles F. Floyd
Professor and Chairman
Department of Real Estate and
Urban Development
The University of Georgia
Athens, Georgia 30602

Re: Your ltr of 1/7/81 to Mr. John Hassel, FHWA

Dear Dr. Floyd:

As one of the leading opponents to Highway Beautification in South Dakota, your letter to Mr. Hassel has been given to me and turned up in some of my miscellaneous legislative papers after the 1981 Session of the South Dakota State Legislature.

Certainly, we all have a right to our opinions, and I respect yours even though I would question your motives. I must comment on your statements relative to the Lyman County, South Dakota zoning, and your accusation that other counties in South Dakota have "phoney zoning".

As to Lyman County, the entirety of the county was zoned commercial to allow billboards in my opinion. That zoning has now been altered in that FHWA decided to make an "example" out of the county. It is in my legislative district. All signs that are now standing in unzoned areas of that county were put there legally. Our state does not have the funding to pay "just compensation" to the owners, so guess they will stand awhile as our law assures "just compensation.

As to "phoney zoning", that terminology is incorrect. There is absolutely no zoning in many western South Dakota counties. Several years ago when our state law supposedly laid a possible $10,000 penalty on county commissioners for not submitting a required "land use plan", the citizen input meetings became so negative on land use planning that many commissioners refused to submit a "plan" to the various units of, constitutionally questionable, planning districts. In that the commissioners of other counties, along with Jones, Jackson and Hanson counties along the interstate system did no submit a "plan" they did not surrender their local control to another unit of government. In short, they have absolutely no authority to remove signs, at least in those counties.

I deeply resent your calling the enforcement of constitutional government to avoid the granting of a police power in the hands of faceless, unelected, remotely located tax trough swilling bureaucrats "phoney zoning". Really, the only "phoneys" around, in my opinion, are those who would circumvent the constitution and trample on the feet of private business. Even more serious, those that would take the rights of the real property owner and convert them to their own "phoney" means.

At the time of the constitutional convention, Madison said it well:

> "The Freeholders of the Country would be the safest depository of Republican liberty. In future times a great majority of people will not only be without land, but any other sort of property. These with either combine under the influence of their common situation; in which case, the rights of property and public liberty, will not be secure in their hands: or which is more probable, they will become tools of opulence and ambition, in which case there will be equal danger on another side."

In closing, I will bring to you that my family and I travelled to Florida through your state of Georgia in 1977. With my wife counting the signs we were approaching; and my daughter sitting in the back of the station wagon counting those on the other side of the road; we came up with an average of thirteen signs/mile many of them larger than our South Dakota signs, while going 179 miles across your state. It has been said, "People who live in glass houses should not throw stones".

Sincerely yours,

Glenn L. Freeman
State Representative
Landowner & Tourism Operator

cc: Secretary, South Dakota Hospitality Association
Mr. Richard Kirsch, President, Kampgrounds of South Dakota
Mr. Obed Olsen, Box 429, Spearfish, S. Dak.
Mr. Gene Rowen, Secretary, Department of Transportation, State of South Dakota

DEPARTMENT OF REAL ESTATE
AND LEGAL STUDIES
[illegible]

June 24, 1981

Mr. Glen T. Freeman
Rt. 62, Box 108
Midland, South Dakota 57552

Dear Mr. Freeman:

Thank you for your letter of June 18, 1981.

It is obvious that we have a difference of opinion, and I am not going to try to change your views. I would like to point out, however, a policy position to you regarding the Highway Beautification Act on which I believe we will agree. At the recent meeting of the National Advisory Committee on Outdoor Advertising and Motorist Information I proposed a resolution that the committee recommend that "The Highway Beautification Act of 1965 should be repealed and the responsibilities for the beautification program should be returned to the states and local governments." This resolution passed by a vote of 13 to 11, and I understand Senator Stafford will be introducing legislation in the near future to repeal the Act. I hope this bill will receive your support.

Sincerely,

Charles F. Floyd

Charles F. Floyd

CFF:df

My name is William H. Tarrell. I am the Highway Superintendent for Fall River County. I feel qualified to testify to this committee for my County and for the State of South Dakota.

The needs of the Counties in our area probably differ significantly from those of the more populated areas.

In Fall River County we have been averaging about one bridge every year for the past seven years, that has gone to reconstruction using the funds administered by the Federal Highway Administration. Without these funds it would have been a tremendous load on our taxpayers to have accomplished this.

At the present time we still have 31 bridges on the system. Most of these wooden bridges are in fairly good shape, however they were built in a period from 30 years ago and previous to that time.

Presently Fall River County is undergoing energy impacts with oil, coal and uranium exploration. Many vehicles using our highways [illegible] are over weight and this will hasten the deterioration of not only the bridges, but our entire County Highway system.

Fall River County is a large County, containing over 1600 square miles of area. The population is quite low, 8400 people, with 4900 of that number living in Hot Springs, some 2000 or more in Edgemont and about 1000 rural people. The rural areas contain a bonified irrigation district and the balance is grasslands and some dry land farming. Approximately 1/3 of the area is owned by the State of South Dakota or the Federal Government and this hurts the County Tax base. Many of these areas are remote and have only trails, however the County maintains over 800 miles of graveled and hard surfaced roads. Of the maintenance funds generated through taxes, the lions share is paid by the 1000 rural people.

Some of the problems experienced in the past--Over design-example: 2 families do not need a bridge 30 feet wide, with a 24 foot road leading up to it.
Engineering costs are too high-this could be solved by use of a standard design.
The 100 year flood study is not necessary on bridges that carry only a few vehicles per day.
Costs to purchase right of way, engineering costs combined with matching costs make grading, graveling and surfacing projects too costly for the counties such as Fall River.

I have found that counties such as Pennington and Lawrence in our areas have population enough and can generate enough revenue so they can afford these surfacing projects. These areas will continue to grow and the needs for funds to finance their highway systems will also continue to grow, it would be a blow to their economy if they were to lose this Federal money.

In conclusion, I would like to see the continuance of the Federal Aid System Funds. I would also like to see a relaxation of the standards to fit the situations in remote rural areas such as ours whereby it would not be necessary to purchase additional right-of ways other than the normal 66 feet provided by law for roads having an average daily traffic count of less than 100. I would like to see the use of chemical stabilants for dust control. Basically I feel that the local people should be able to determine their needs and be able to care for these needs. I would especially like to see a continuance of the bridge replacement program.

Sincerely
William H. Tarrell

AUER'S CAMPING
TINY GOLF
Mary's Beauty Shop
Box 438 Ph. 5742418
Hill City, S. Dak. 57745

U.S. Senator Abdnor

This is in concern of the road project on US 16 and 385 South of Hill City for Approx. 2½ miles.

We are on the South end of this project of road improvement.

This project has been in the fire for over 10 years. Now the road dept. has drawn up several plans for this road.

They have it layed out, to where they are taking all of the land from our side of the road and nothing from the other side. Keep the road where it is and take equal land from both sides of the road. We will share equally.

From the meeting of several years ago, held at the Hill City School, they told us it is going to be a 50 M.P.H. road. They drive it at that right now.

They said they will not compensate us for lost of business. Why?

Just remove the 2 sharp curves in this road and resurface it then all the people that live along this road could possibly live with it.

By putting the road all on our side, means the safty for our children, they will no longer get to play in front of the house, but will have to play in the campgrounds.

This puts the traffic to close to the house. When the railroad can shake a china cabinet in the house and it is over 400ft. from the house, what will thes large GAS TRUCKS do when they are less than 75 ft. from our front door. With the speed they travel!

When they start this project, what will we lose in customers, from all the dirt and noise from this project..?

Tourist will stay away from this area, when they hear of this project and the confusion it will cause.

The plans show a 12ft. road and a 10 ft. shoulder.

In front of our place, a 12ft. road and a 12ft. shoulder, they are going to give us curbs and gutters. Why take more? Go to a plain shoulder. We have them now.

I asked in the meeting of several years ago. What would the highway dept. do if the property owners along this section would get a petition up to have the highway dept. leave the road as is and straighten out the 2 curves only. They said they would probably go along with our requests and leave the project alone.

We want to keep the Hills pretty and scenic. Not a big commercial highway, to speed up the traffic and not to see the hills.

This is prime valley property and hard to find in the hills.

Properity owners
J F Bauer
Mary Bauer
Joseph F. Bauer
Mary J. Bauer

Executive Department
CITY OF LEAD, SOUTH DAKOTA
57754

URBAN STREET SYSTEMS FUNDING REQUEST
Rapid City Civic Center
June 30, 1981

Senator James Abdnor, Mr. Chairman and Committee members:

My name is Paul R. Cross, address 141 Terraville Avenue, Lead, S.D. I am a member of the Lead City Commission with specific duties as Street Commissioner.

I appear before the committee on invitation from the office of United States Senator James Abdnor of South Dakota to present some facts concerning the City of Lead's apparent loss of population during the period from 1970 to 1980.

And more specifically to request the committee to consider a resolution of intent adopted by the Lead City Commission on the Seventh Day of May, 1981. This resolution would combine the populations of Lead and Deadwood for the purpose of qualifying these cities for funding under the Federal Aid Urban Systems Project. The Deadwood City Council concurs with the resolution.

As you are probably aware, cities of fewer than 5,000 population are not eligible to participate in the Urban Systems Funding Program.

Preliminary 1980 federal census figures released recently indicate that the population of Lead decreased during the past ten-year period from 5,420 to 4,376, this dropped the city from first to second class status. Deadwood's population is 2,024, a decrease from 2,406.

Because of the lower population in Lead, the city commission has been advised that as of October 1, 1981 it no longer will be eligible to participate in the Federal Aid Urban Systems Project. This comes at a time when the future of Lead, population-wise, is uncertain because of expansion plans of Homestake Mining Company, increased mining activity for precious metals in The Black Hills and also at a time when funds are needed to accomplish some badly needed street renovation.

I would like to inject here, Mr. Chairman, that the South Dakota Department of Highways has been more than cooperative with the City of Lead in helping to alleviate some of our unique problems of highways, streets and roadways. In fact, I would go so far as to say the department has leaned over backwards in their cooperation.

The city has participated in the Urban Aid Program for the past several years, and during this period projects on Houston, Spark, Washington and Gradview Streets have been completed. At the present time another major project of $328,189 is nearing completion--that of Mill Street which is the major thoroughfare to Homestake Mining Company's two underground shafts and milling operations.

It is projected that as of October 1, 1981 there will remain in the city's urban systems fund approximately $65,000. Last week the city commission authorized engineering for another mat project for Julius Street, a parallel street to Main Street.

Mr. Chairman, I cite these projects so the committee will be aware that the City of Lead has participated to the fullest in the program; that it has done so in a manner to receive the greatest value for the tax dollar; and to provide the best possible streets for the residents of this mining community to get to and from work in all kinds of weather.

A few moments ago I mentioned that Lead and Deadwood have unique problems---the major one being that most streets run up and down hill, and to my knowledge no other South Dakota cities so closely associated have this in common.

If only, Mr. Chairman, we had someone on our governing boards who had the power to make water run up hill!

Drainage, of course, is a major problem and without adequate curbs, gutters and street surfacing, runoff from rainstorms and melting from snow will follow the course of least resistance and sometimes this is into yards, private garages and even into basements.

The street department allows in its budget as much as it can to handle many of these emergencies on a short-term basis, but the city cannot expend large amounts of money into long-term projects because of a limited tax base.

Hopefully, the city's Capital Improvements Program at some time down the road, will help eliminate this particular difficulty. This includes separation of sewage and storm sewers and continued encouragement to property owners to install adequate sidewalks.

The resolution of intent does have merit. The cities are only three miles apart; they are linked by the same highways; they are as one business community; the school systems are consolidated; their fire and police departments are joined by a central telephone and radio dispatch; the Chambers of Commerce are now in the process of merging; and many people commute from one city or the other to their places of employment.

We can only speculate that if Homestake's plans for expanded operations materialize fully, and there is no reason to believe they won't, the population of Lead and Deadwood will reverse the present trend and return to more favorable figures.

Since an official federal census will not be taken for another ten years, it would only seem reasonable that the Resolution of Intent be given full consideration at this time, and that Urban Systems funding be continued as in the past.

The cities of Lead and Deadwood are aware that certain policies and procedures are necessary in the administration of federal and state programs.

I can only ask today that because of present circumstances and future uncertainties, the committee give a realistic appraisal of the request.

A copy of the Resolution of Intent is attached.

Thank you, for allowing me to present this information.

Signed:
Paul R. Cross
Paul R. Cross
Lead City Commission

RESOLUTION NO. 1981-6

RESOLUTION OF INTENT TO JOIN WITH DEADWOOD FOR THE PURPOSE OF COMBINING POPULATIONS TO QUALIFY FOR FUNDING UNDER THE FEDERAL AID URBAN SYSTEMS PROJECT

BE IT RESOLVED by the City Commissioners of the City of Lead, South Dakota, that the City of Lead does hereby express its intent to join with the City of Deadwood, South Dakota, for the purpose of combining populations of both cities so as to become eligible to participate in the Federal Aid Urban Systems Project administered through the South Dakota Department of Transportation and the United States Department of Transportation.

Those voting aye: Jagodzinski, Aberle, Cross and Fuller

Those voting nay: None

Motion (carried) (~~failed~~)

Done this 7th day of May, 1981.

CITY OF LEAD

Bolesh S. Jagodzinski
Bolesh S. Jagodzinski, Mayor

ATTEST:

Dale R. Erickson
Dale R. Erickson, Auditor

(SEAL)

Owen Johnson's INSURANCE AGENCY
Post Office Box 6 · Hill City, South Dakota 57745 AC 605 - 574 - 2547

TO WHOM IT MAY CONCERN:

Based on the following information, it is my opinion that Highway 16 and 385, from the South City Limits of Hill City, to the Junction of Highway 244, is in need of some changes or modification thereof.

THE FOLLOWING FACTS ARE FOR THE YEARS 1975 THRU 1980.

Number of Accidents	68
Number of vehicles involved	99
Number of Injuries	30
Number of persons killed	1
Total Property damage	$117,200.00
Average Property damage per accident	$1,723.00

NUMBER OF ACCIDENTS IN THE YEAR:

1975	13
1976	10
1977	8
1978	18
1979	9
1980	10

Based on the above statistics, it appears that the number of accidents has not decreased significantly with the slower speed limit in force at this time.

Respectfully submitted,

Owen Johnson

Owen Johnson

OFFICE OF
BOARD OF COUNTY COMMISSIONERS
CODINGTON COUNTY
WATERTOWN, SOUTH DAKOTA

Santa comes Again

If you are [fortunate enough?] to be approved for federal assistance on a bridge that needs replacement in your County, you pay only 20% of the cost, plus architectural fees, usually between $3500.00 and $4000.00. You hurriedly make a decision to complete the necessary forms, get the acceptance confirmed, and sit back priding yourself on what you've accomplished and the dollars you've saved your tax payers. Or do you?

The funds have been allocated and if not accepted by Codington County, some other county in our state or otherwise would be approved for and spend the allocations.

To me, and I believe our other board members, it is a traumatic decision you have to make, knowing that it's in the best interests of your county, but absolutely wrong in principle and the opposite of being frugal, to have to be tied to the specs that seem mandated to receive the 80% subsidy for federal bridge monies.

In the past two years Codington County has built two 60-foot bridges, one being for the State on former Highway 81, both of which meet all criteria and requirements from the State and Federal Government, and at a total cost of under $100,000.00.

A 60-foot bridge is presently under construction in our county on a township road under the federal bridge monies program, through the State, that is costing our county coffers about $22,500.00 plus $3500.00 in architectural fees which are mandated but not cost shared.

What does that make the bottom line on this contract? About $112,000.00. It is interesting to note that the actual labor construction costs on the federal plan were under the bid cost to Codington County, but the unnecessary frills which were not required under our own budget expenditure and management projects, more than exceed the cost of an additional bridge.

I realize there may be many variables involved, but in view of our experience, it is my opinion that too much of this type of extravagance is not being addressed by either the State or Federal Government in their search for cutting budgets.

Phil Bergh
Codington County Commissioner
District III

Cunningham
ADVERTISING, INC.
COUNTY RD. 92 SOUTH P.O. BOX 306
ST. BONIFACIUS, MINN. 55375
612/ 446-1611

June 24, 1981

Senator Abdnor
Box 873
Sioux Falls, South Dakota 57101

Dear Senator Abdnor:

As a small family Outdoor Advertising Company, I wish to express our 100% support of the Highway Beautification Act. We feel it has given our industry reasonable regulations to operate by.

In 1974 our company had approximately 300 non-conforming signs. They have all been removed. It was a real struggle but we have been able to replace the non-conforming signs with 275 conforming signs.

Our product and quality is much better. This was made possible by mandatory compensation that we reinvested into our business. Without compensation we wouldn't exist today.

I feel the way to solve the problems created by the Act is to work within the framework of the Act. Local government should be lobbied to implement reasonable zoning and sign regulations. They should be reminded again and again that a highway is mainly a corrider of commerce and nothing else.

Due to a personal committment I apologize for being unable to attend the hearings.

Sincerely,

Bill Cunningham Jr.

Bill Cunningham, Jr.
Vice President

BC/clk

FEDERAL-AID HIGHWAY ACT OF 1981

WEDNESDAY, JULY 1, 1981

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
SUBCOMMITTEE ON TRANSPORTATION,
Fargo, N. Dak.

The subcommittee met at 1:30 p.m., in the Fargo Holiday Inn, Hon. Quentin Burdick presiding.

OPENING STATEMENT OF HON. QUENTIN N. BURDICK, U.S. SENATOR FROM THE STATE OF NORTH DAKOTA

Mr. BURDICK. Good afternoon, ladies and gentlemen. I am pleased to chair, here in Fargo today, another in a series of hearings being conducted by the Subcommittee on Transportation of the Senate Environment and Public Works Committee on our Federal aid highway program.

The Federal Government has been involved in providing highways for the movement of people and goods since the early part of this century. However substantial Federal involvement did not occur until 1956 when the Interstate System was authorized and the highway trust fund created to fund the Federal share of our national highway program.

During my service in the Senate, I have been pleased to be a member of the Environment and Public Works Committee and active in transportation matters. As we are all aware, North Dakota was one of the first States to complete its Interstate System, and yet we have continued to receive interstate construction dollars under the one-half of 1 percent program which I sponsored in the committee in 1973.

Even though completion of the 42,500 mile Interstate System is near, there are many highway related transportation problems facing this country. Maintenance of the investment of both the Federal Government and the States in our highway metwork is more important now than ever. Many of the roads constructed early in our expanded Federal program are now nearing the end of their useful life. All levels of government must carefully examine this critical problem and bring forth new ideas to remedy the situation. We cannot allow the Federal investment in our highway system to deteriorate like many of our railroads. This would leave us in the untenable position of having no transportation system to meet the demand for the movement of goods from the farm and the factory.

The Federal aid highway program was reauthorized in 1978 for 4 years. Over the last several years the Federal Government has been spending $8 to $8½ billion annually on our highway program. This hearing being held today and others to be held later in the Western United States are designed to inform committee members about how the Federal aid highway program should be restructured to meet future highway transport needs. There are four major elements to our Federal aid program. The first is completion of the Interstate System in order to perform a serviceable, connected system to meet our transportation needs. As far as I am concerned, any completion program must also authorize the one-half of 1 percent program for States like North Dakota which have wrapped up their interstate construction program. States receiving this money must use these funds to maintain their investment in interstate highways open to traffic.

Of no less importance is continuation of Federal funding for the maintenance of our Interstate System. In 1976, the Congress provided the first funds to maintain interstate highways which had begun to deteiorate as they reached the end of their useful life.

Several bills are pending in the Congeress which would authorize a significant expansion of funding for this program. Funding would be expanded from the current $275 million to over $700 million for fiscal year 1983. With a backlog of unmet rehabilitation needs of $20 billion, the sooner increases in authorizations for funding levels can be brought forward, the better.

One of the most important considerations which I can bring to the committee as we address highway legislation is the continuing need for Federal money for the secondary highways of this country. The Reagan administration has proposed to terminate funding for this program. Nationwide, this would mean the loss of $700 million in Federal aid for these important roadways. I shall work as a member of the committee to continue some funding and Federal recognition of the importance of secondary highways to the transportation network of this country.

Lately, many bills are pending which continue to recognize our bridge replacement program. All of the legislation provides no significant change in the Federal commitment to this important program. The Federal Government will be spending at least $1 billion annually to rehabilitate or replace inefficient or obsolete bridges.

No discussion of Federal highway legislation would be complete without a status report on the highway trust fund. Over the last several years, revenue to the highway trust fund has begun to decline. By the end of this decade, annual revenues will be lower than annual expenditures. There are at least three factors which contribute to this decline. The first is improved fuel economy of the fleet of automobiles being sold in America today. A good part of this is because of imports, but many American automobile makers are now producing fuel efficient vehicles. Second, the American public is driving less and thereby consuming less gasoline to tax. Third, the gasohol exemption from the Federal gas tax will have a 5 to 7 percent impact on the trust fund receipts if predictions for its usage are correct.

In summary, let me say that we have a viable highway transportation program. It is one which only needs fine tuning, but the American people must be prepared to continue paying Federal gasoline taxes if we are to maintain our level of commitment to this vital transportation system.

The first panel on today's hearing list will consist of Ed Becker, Walter Hjelle, John Finsness, Kent Jones, and Dick Crockett.

Mr. Becker.

STATEMENT OF EDWIN C. BECKER

Mr. BECKER. My name is Edwin C. Becker. I am a farmer and businessman from Willow City, N. Dak., and I am the director of the North Dakota State Economic Development Commission headquartered in Bismarck, having been appointed by Governor Olson and holding the position for 5 months.

The North Dakota economy is a vibrant economy due largely to the excellent highway transportation system we have which facilitates economic activity.

Good highway transportation, from the Interstate System down to our county and township roads, has been a major factor in building our economy and the high standard of living we enjoy today. The ability to move good and services freely and efficiently has held down the cost of everything we consume and allows us to have fresh produce on the table nearly everywhere within hours of harvest from the fields.

The highways and local roads in North Dakota are a vital and indispensable part of the State's economy.

They must be maintained to a high level of serviceability to handle the larger loads and ever-increasing movement of vehicles, goods, and commodities that are generated by the present tempo of the economy.

This State's economy is centered around grain and livestock production for food, oil, coal, and electrical power production for energy, and to a lesser extent on processing and manufacturing. These industries rely heavily on good highways to move their products, which in turn make the State's economy work. A working economy means jobs, tax revenues for government, consumer products, and general prosperity for all.

In the field of agriculture, fuel, fertilizer, machinery, and parts move to our farms on State and county highways, while wheat, sunflowers, sugarbeets, potatoes, soybeans, cattle, hogs, and other farm products move to local elevators, processing plants, and out-of-State markets.

Western North Dakota, during the past 5 years, has seen the drilling of hundreds of oil wells, the strip mining of many lignite coalfields, and the construction of several multimegawatt electrical power generating plants. This ever-growing energy industry, consisting of coal, oil, and power development, is supplied and sustained by the use of trucks rolling on highways.

Processing and manufacturing includes processing sugarbeets into sugar, malting barley into malt, grain into flour, sunflowers into oil, and the production of farm equipment such as tractor, plows, and crop sprayers. Here too, shipment is mainly by truck.

We produce and deliver the resulting products for national consumption in a cost-effective manner through the use of efficient highway transportation.

Today the highways in North Dakota are functioning as the lifelines of commerce much as the railroads have in the past. The location of commercial and industrial development is no longer determined by the location of the railroads, but rather by easy access to good highways. In other words, development now follows highways—not railroads.

The State's highway departments program during recent years has averaged $98 million per year with $51 million of this amount being Federal funds. Additional amounts are expended each year by cities, townships, and counties for nonparticipating streets and local roads.

In view of our high investment and heavy dependence on good roadways, we hope the work of this committee will lead to new highway legislation which will continue to provide maximum Federal funding and program flexibility

Continued maximum funding in all categories is needed by this State in order that our highway improvement program will have the resources and program flexibility to meet our critical needs and also be responsive to the rapid changes in the transportation scene.

A critical need presently exists in western North Dakota. The current development of oil, coal, and powerplants has resulted in a large influx of people and heavy equipment which is straining the local roadway system. In addition to the hundreds of oil wells already drilled (595 in 1980), 200 drilling rigs are now operating 24 hours a day in the area, together with extensive seismographic activity.

Six large lignite coal-burning powerplants have been built to date. Construction of the $2 billion coal gasification plant near Beulah (employing 3,000 people alone) is now beginning, and six more power and gasification plants are being planned for construction in the near future.

Strip mining of lignite coal in the area, to fire the powerplants, is also being conducted on a massive scale.

This energy activity moves predominantly on the roads and highways and has increased vehicle traffic in western North Dakota by 35 percent.

With decreasing rail service and branchline abandonment in western North Dakota, together with demand for immediate and onsite construction delivery, more and more shipments are moving by truck. Loads are getting larger and more heavy equipment is mounted on trucks for mobility. This is having a trememdous impact on the area's roadway system.

Energy development has also resulted in a large influx of workers and their dependents. Public transportation, for workers and the general populace, is minimal to nonexistent. Many construction and operations workers, preferring the amenities of larger cities or due to onsite housing shortages, commute daily by private vehicles from the major cities of Bismarck, Minot, Dickinson, and Williston to the oil and coalfields and plantsites in the area. General traffic has, therefore, increased significantly.

City, county, and State budgets are strained to meet the highway transportation needs posed by this massive activity. As a result, State and local governments find themselves looking more and more to Federal funding for their major highway and bridge projects. Such Federal funding must be continued since local governments are not in a position now, nor will be in the near future, to assume a major shift in funding responsibility from the Federal level.

We encourage you to give these facts every consideration in your development of new highway legislation.

Senator **Burdick**. Thank you, Mr. Becker.

Mr. Hjelle.

STATEMENT OF WALTER R. HJELLE, HIGHWAY COMMISSIONER, NORTH DAKOTA STATE HIGHWAY DEPARTMENT

Mr. **Hjelle**. Mr. Chairman, committee members, we are most appreciative of the committee selecting North Dakota as one of the sites for holding hearings to discuss legislative proposals for the Federal aid highway program. North Dakota is a very rural State and its predominant economic activity is agriculture. Additionally, coal mining and oil production have placed the State in the position of being a major energy producer. North Dakota's transportation problems are primarily related to the economic and social needs of a dispersed population. It must transport large volumes of relatively inexpensive weight intensive commodities with only two forms of transportation, highways and rail.

The number of vehicles, in particular, registered trucks, further indicates the rural reliance of roadways. Vehicle registrations in relation to population shows 1 truck for each 2.56 North Dakotans. This compares to New York with 17.98 persons per truck, and Illinois with 9.51 persons per truck.

Perhaps no other State has the same geographic/transportation disadvantages. Located in the center of the North American continent, North Dakota is 1,200 miles from the Pacific Ocean, 1,800 miles from the Atlantic Ocean, and 1,600 miles from the Gulf of Mexico. Everything we produce must move long distances to reach either foreign or domestic markets. Manufactured goods from other parts of the United States and the industrial world find the return trip to North Dakota just as difficult.

Nationally, there is a concern over the production of food and energy. North Dakota is a net exporter of food and energy.

On the world scene, the United States is the No. 1 exporter of food. A vast amount of this food comes from the Midwest and much of the food from the Midwest comes from North Dakota, where we rank first in the production of Hard Red Spring wheat, Durum, barley, sunflowers, rye, and flaxseed. We are also one of the leading producers of potatoes, edible beans, and sugar beets.

It is a generally accepted fact that the ability to produce food in our country has exceeded the advancement in transportation's ability to move our agricultural commodities. Government, in recognition of agriculture's positive contribution to our Nation's balance of trade, should give a top priority to the improvement of transportation facilities which improve the movement of our agricultural commodities. The ability to produce food in large quantities at a reasonable cost is important, but of equal importance is the ability to transport it to market.

The gathering of individual farm production and consolidation of that production into onfarm storage, local elevators, warehouses, or other fixed storage is a truck operation. This gathering system is comprised of 81,500 miles of township roads and trails, over 15,000 miles of county roads, and 7,100 miles on the State network. Nonsurfaced roadways account for 88 percent of this total farm-to-market system. The relative importance of truck movements in the total movement of grain out of North Dakota has increased significantly. In 1974 trucks accounted for 19 percent of the total grain to terminal facilities; his figure had climbed to 41 percent by 1980. It is obvious from these facts that the level of roadway development has not kept pace with the economic and social needs of the Nation's farmers.

Throughout the text of my comments, I have said little about the movement of people. I would, however, like to touch on this subject briefly.

It is difficult for the people in urban centers to realize the needs of people in rural areas. A large percentage of this State's elderly population live in small communities which are more than an hour's travel time to the nearest hospital or clinic. The rural education system is based on consolidated schools—a system which has evolved as a method of bringing education to a widely dispersed population. Each day, 1,550 schoolbuses transport more than 49,000 pupils to and from schools. Annually, schoolbuses in North Dakota log an excess of 25 million miles, most of which is traveled on gravel roads.

Highways are the dominant means of transportation in North Dakota. This is one of the reasons why the Federal Aid Highway program is so important to us. We are deeply concerned that North Dakota's share of Federal aid funding will be wholly inadequate to keep pace with the needed improvements on its road systems. The problem becomes more acute as motor fuel tax revenues decrease and inflation chokes the value of the dollar. The relationship between capital improvements and maintenance becomes involved in a vicious circle as maintenance expenditures increase because of lack of capital improvements. Thus, less is available for capital improvements as maintenance expenditures increase.

The balance of my testimony concerns the seven areas listed in the invitation letter for which your subcommittee is inviting comments.

1. EXPENDITURE OF FUNDS FOR THE INTERSTATE HIGHWAY SYSTEM

North Dakota has completed its Interstate System. Over the past 20 years, when State financing for maintenance and matching Federal aid has been difficult, we had chosen to place the highest priority on the construction and maintenance of our portion of the Interstate System. This has been made, to an extent, at the expense of our primary and secondary systems.

We are deeply disturbed about the following:

A. The total cost currently of completing the Interstate is $66.3 billion. This is based upon combined Federal-local sharing with an annual 10-percent inflation rate over a 10-year period and built to current interstate standards.

B. The administration bill (S. 841) places highest priority on the Interstate System. For fiscal year 1984, interstate funding accounts for 64 percent of the total proposed Federal Aid Highway authorizations for that year. If total Federal Aid Highway annual authorizations are to be held within the $8.1 billion level, it follows that a relatively small amount would be reserved for other highway programs and for those States having completed or nearly completed their portions of the Interstate System.

We are very concerned about the categorical grant program.

Senator BURDICK. Thank you, Mr. Hjelle.

Next witness.

STATEMENT OF KENT JONES, NORTH DAKOTA COMMISSIONER OF AGRICULTURE

Mr. JONES. Mr. Chairman, thank you for the opportunity to comment on the proposed legislation involving Federal highway aid.

The importance of a viable transportation system in North Dakota, as well as in other agricultural States, for marketing of agricultural products is daily assuming even greater proportions, as the world looks more and more to the American farmer to answer the need for increased food supplies.

What concerns agriculture automatically concerns the national economy. Agriculture is the Nation's largest employer, with 23 million people employed in agriculture-related jobs, representing one-fifth of the national labor force. The agriculture industry accounts for 20 percent of the gross national product. And agriculture contributes more to the strength of our position in the world economy than any other sector of American commerce, since our farm exports keep the balance of trade from falling to unacceptable levels.

Here in North Dakota, $7 out of every $10 are generated by agriculture or agriculture-related industry. In 1980, our State ranked ninth in farm exports—63 percent of total U.S. sunflower exports came from North Dakota—and we ranked second only to Kansas in wheat exports this year we will, in all likelihood, rank first in wheat exports.

Our highways are a crucial link in the transportation system for our agricultural products and exports. The growing importance of highway transportation in our State is clearly demonstrated when consideration is given to the possibility that more than 24,000 truckloads of grain a year will have to be moved across our highways if the plans for abandonment of the railroad branch lines within the State are carried out. Rail mileage identified by the railroads last year as subject to potential abandonment constituted more than 16 percent of the total rail mileage in the State. And within the last few months, Burlington Northern has detailed plans for abandonment of more than 1,100 miles of branch lines in North Dakota.

Solution of our agricultural transportation problems is one of the most important goals of my office, and the farmers and ranchers and agribusiness people in our State. All possible alternate transportation methods are being studied and evaluated, including barge transportation. However, the proposed deletion of waterway subsidies as well as the necessity for long-range study and development of such an alternate system forces us to focus our immediate attention on highway use.

At the same time that we are anticipating increased highway usage for shipment of grain and agricultural products, as well as heavy farm machinery, we are experiencing significantly greater use of our highways by trucks transporting heavy machinery and equipment for development of our energy resources, in addition to transporting energy products, such as oil.

Comparison of the principal elements of the bills under consideration by your subcommittee—S. 841 and S. 1024—was limited to information furnished to my office by Senator Burdick. And it would appear in some instances that the needs of our highway transportation system in North Dakota may be better served by S. 1024. However, these comments are only general in nature, rather than specific, since the information made available to my office did not contain the appendix noted in several sections of the material which reportedly detailed the effect on each State of several portions of the legislation—specifically, the data referring to the ratios used in the Interstate 4-R program, the gaps in the Interstate System not now under construction and State highway taxes effect on funding for secondary and urban systems.

One item of particular concern is that portion of the legislation regarding maintaining Federal interest in replacing and rehabilitating bridges. In that respect, the longer period of time in which funds would be available, and the more advantageous apportionment formula would seem to indicate that S. 1024 would best serve the interests of a viable transportation system for agriculture.

It would also appear that the S. 1024 proposal for maintenance of Federal programs and funding for secondary systems through 1986, as opposed to Federal phaseout in 1984 as proposed by S. 841 would be beneficial in view of the highway transportation problems facing the agriculture industry.

Senator BURDICK. Thank you very much.

Mr. Finsness.

STATEMENT OF JOHN FINSNESS, PUBLIC SERVICE COMMISSION, STATE OF NORTH DAKOTA

Mr. FINSNESS. My name is John Finsness and I am standing in for Commissioner Bruce Hagen of the North Dakota Public Service Commission. I am speaking for all three of those Commissioners.

North Dakota has been fortunate in the past since only 372 miles of its track have been abandoned from 1955 to now; however, the situation is rapidly changing. The Burlington Northern now operates 3,404 miles of track, 2,221 of which are characterized as branch lines. This railroad has just recently announced that 438.9 miles of branch line are now proposed to be adandoned within 3 years, 742.2 miles are under study for possible future abandonment, and 20.5 miles are in the abandonment process.

This railroad has already established unit train rates for movements of 26 or 52 cars of wheat to the west coast and is planning to establish similar rates eastbound to the markets at Minneapolis and Duluth, a radical departure from the single car standard in existence since 1900. The railroad's position is that since unit train costs are lower than costs on single cars, it can establish more attractive rates for shippers and that the present concentration of grain in elevators 6 or 7 miles apart (the horse and wagon capability) is archaic.

There is no doubt that the Burlington Northern seeks to encourage the establishment of subterminals capable of shipping unit trains of 26 and 52 cars, preferably the latter and is apparently willing to offer rate reductions sufficient to achieve this end.

The approach is two pronged. Rail abandonments would ordinarily force elevators to ship via truck to the markets at Minneapolis and Duluth. In the 1979-80 crop year 49 percent of the spring wheat moved to Duluth and 33 percent to Minneapolis by truck. But higher prices offered to producers by reason of lower unit train rates from subterminals may well exclude the long distance trucker as a viable competitor.

This development may well signal a death warrant to the small elevator in on abandoned rail line or at least reduce it to the level of a satellite to the subterminal. In either case, I can envisage a reduction in longhaul trucking (250 to 700 miles) and an increase in shorthaul trucking (25 to 75 miles) either directly from the farm or from the satellite elevator. The chances are that the total miles driven by truck will be less with 25 to 75 mile hauls than with 250 to 700 mile hauls.

The increased shorthaul trucking presents formidable problems for the State and its subdivisions. The interstate highway system allows truck weights of 80,000 pounds on highways at least theoretically built to support these weights. The fact that most longhaul trucking is moving to interstate destinations limits the weights to 80,000 pounds on utilized portions of the intrastate system as well.

North Dakota allows gross weights of 105,500 pounds on the State system, most of which is not built to these specifications. Roads attributable to State subdivisions such as counties are even less capable of handling this kind of traffic, and even less capable of financing improvements.

A further impact on the highway system will occur when subterminals are built. Roads now subject to little truck traffic, and not designed for it, will experience heavier use. New construction of terminals will require subsidiary and access roads.

If the railroad is successful in its program, new demands will be placed on State government and its subdivisions at a time when inflationary pressures are making it extremely difficult to maintain the present system.

I understand that proposed legislation in the Senate Committee on Environment and Public Works would curtail minimum funds now provided to States which have completed their interstate systems. The loss of these funds would come at a time when North Dakota faces massive investment in its intrastate system. I hope this source of funds is not cut off for States such as North Dakota.

Senator BURDICK. Thank you very much.

Next will be LeRoy Erickson.

STATEMENT OF LeROY ERICKSON, NORTH DAKOTA STATE LEGISLATURE

Mr. **Erickson**. First off I would like to say that our interim committee on transportation hasn't met as yet and we are due to meet in about the middle of July and therefore we will have a written report to your inquiry and hearing today.

Now I would just like to discuss a couple of items that I think are important to North Dakota as a whole.

We have some real needs here in North Dakota. Our rail transportation system in the 1980's is operating with a 1900 concept, only worse. In the early days when the rails were put in they were new and they were maintained, they used to be maintained by the railroads, but a lot of our branch lines haven't seen any maintenance for many years.

Now we can stand to lose a few branch lines, but not too many, as is being proposed.

And you have heard testimony from all the rest of them before us here today on the impact of what this can do to North Dakota.

We also need heavier, more sturdier rails to carry the big hoppers moving throughout our State every day.

Rail is the most efficient transportation for a landlocked State. Fifty percent of the grain produced in this State is for overseas export.

The highway system and the rail system have to work together to provide the service needed for our people, agriculture and industry.

North Dakota does not have access to water transportation like Minnesota and Iowa do, but we have another need, rural bridges, lots of them. Most of them were built in the 1930's, and they were narrow, very low low-limit bridges, and the bridges are a vital link in the road system.

Rail abandonment is causing major adjustments for many communities. It will cause farmers to lose their competitive markets. They don't need this program added to their already troubled situation. We definitely need rails for our west coast market. Trucks just can't meet the needs, although we already have one truck for every two and a half persons in North Dakota.

If we were to ship all grain by truck, could our highways stand up under all the load? The highway maintenance costs would probably go up about as much as it would cost to rehabilitate the roadbeds. Either way it is going to cost money.

Subterminals are coming into play, and will cost the farmer too. Additional time, labor, money, larger trucks to haul longer distances, 50 or more miles from home.

If this is to be, then we need more all-weather roads. Any time you double handle grain your costs rise and your quality of product decreases, with cracked grain. Rail abandonment and bridge replacement are all tied together. The bridges are the link in our road system. When they are out or impassable for equipment of the 1980's, you can't believe how far we have to drive to go around, or we don't travel at all.

Now I want to point out in Sargent County 19 of 29 bridges are deficient on the county road system, and that is two-thirds. And besides that in the township road system, it is even worse. Seventy of seventy-nine bridge structures are deficient. That is 90 percent deficient.

Richland County is almost as high. They have 44 deficient bridges out of 68 on the county system and 93 bridges that are deficient on the township system out of 271.

But the total rebuilding program of bridges, replacement of bridges in North Dakota would cost in the neighborhood of $386 million at today's dollars.

I wish that I had all the answers, but I don't. But I do know it will take two things: money and well-thought-out plans, to replace bridges and some incentive for railroads to maintain branch lines. The maintenance of railroad beds has been almost nil in the past few years.

If all farmers were to let their machinery go without maintenance just 1 year as the railroads have done on their branch lines, the people in this country, the United States of America, would soon be as hungry as people are in underprivileged countries. Yes, even each of us in this room would be hungry.

Once you have placed in service a railroad or a rail line, branch or main line, somebody will have to maintain it. If you want to use it and it all cost money, you will have to maintain it.

State revenues from the gas tax to maintain our highways has declined, smaller cars, less gas consumption. That was referred to earlier.

Solutions have to be found. And I close with a big question in my mind: Is it really legal for railroad companies to form holding companies to divert their oil and gas moneys from the parent corporation? Why is it permitted, why can't Congress make them put so much of the profits into maintenance? Or give them some incentive to do so? Or some loan guarantees for rail rehabilitation and subterminal facilities?

And I thank you very much.

Senator **Burdick**. Thank you, Mr. Erickson.

Mr. Crockett.

STATEMENT OF RICHARD CROCKETT

Mr. **Crockett**. Senator Burdick.

I am Richard Crockett, and I am representing and speaking for the Greater North Dakota Association, North Dakota State Chamber of Commerce, and the Communities for a Modern Highway U.S. No. 2 Association in an effort that we firmly support.

Our organization has been keenly concerned over highway development and construction in North Dakota since the mid 1920's. It's significant I think to point out that the first modern, paved road in North Dakota was not built until almost 1930 and I think it's also significant to point out that this State completed its interstate highway system ahead of all of the other States in the Union.

And setting the tone for a few comments, I would like to first state that U.S. Highway No. 2 serves not only this State but it serves predominantly an agricultural sector of the Nation representing significant production of spring wheat, durum wheat, sunflowers, barley, potatoes, sugarbeets, and other specialty crops for not only this Nation's food needs but constituting a significant segment of U.S. agriculture exports.

U.S. Highway No. 2 as it serves this region is the access to the water gateway at Duluth-Superior. This year, North Dakota, with its production of hard red spring wheat and durum wheat will supersede Kansas as the major wheat producing State in the Nation. North Dakota is also the largest producer of sunflowers and the principal market for that crop is in export markets, with 95 percent of our current production being shipped through Duluth-Superior or another water port for a foreign market.

In an agricultural area such as this, not only is the economy heavily dependent on our primary, secondary, and farm-to-market roads for the delivery of the commodities produced, but we are also heavily dependent upon these same facilities for the in shipment of the inputs attendant to agricultural production. Much of our fuel, the vast majority of the fertilizer used, most of the agricultural equipment purchased, and nearly all of our consumer goods, including fruits, vegetables, and food stocks grown in other parts of the Nation now are delivered to consumers in this area via the highway system. The continued viability of thousands of small businesses depends on this system. It is their lifeline for survival.

There has already been much testimony presented regarding branch line maintenance and the shift from the rail to the highway.

Let's go back to this matter of North Dakota leading the Nation in the efforts and the cash expenditure to achieve completion of its interstate system. It is readily apparent that we placed a high priority on this effort, and in so doing we're forced to place a lower priority on some of the necessary, primary, secondary, and market road construction and maintenance that is so necessary to the viability of our economy.

While we appreciate the concern of both the administration and the Congress regarding the needs for budgetary control, we would urge that careful attention be given to the prioritization of these cuts, and particularly to a reduction of spending that would have such a significant adverse effect upon the economy of this area and of the ability of this Nation to maintain its balance of payments.

As previously mentioned, a large percentage of our sunflowers are exported for dollars and 2 out of every 3 bushels of wheat must also find a market abroad. Customers for these agricultural commodities insist not on a quality product but on timely delivery.

We would therefore urge that careful consideration be given to the provisions of Senate bill 1024 which would grarantee one-half of 1 percent of the interstate construction authorization funding to each State under the interstate 4-R program. Because of the high priority we gave to the completion of the interstate highway systems in North Dakota, and because of the important role that North Dakota in this area plays in producing food for the Nation and for export market, it is essential that Federal funding be continued in order that we might maintain the highway system that is so essential to the State and this area. To eliminate one-half of 1 percent minimum interstate construction authorization would severely affect the efforts to complete the necessary work which must be done on U.S. Highway No. 2 within anything like a reasonable time period. U.S. Highway No. 2 has been classified as a priority primary highway, however, it has never received any funding under that priority designation.

We would further urge that consideration be given to the provisions of Senate bill 1024 because the planned and budgeted construction, maintenance and improvements on U.S. Highway No. 2 would not be anywhere near completed by fiscal year 1984. It is essential and necessary that the Symms-Stafford provision to maintain secondary and urban system programs and funding through 1986 be adopted.

In conclusion, we would like to further point out that much of the traffic borne by North Dakota's highway system is pass-through traffic. In the transportation of both commodities and consumer goods, much traffic enters the State on the east and leaves it on the western edge to deliver these goods to consumers in Montana and to the West. In the case of agriculture commodities, this is also true. Much Montana grain and livestock moves completely through North Dakota, not only to the the Great Lakes and the port at Duluth-Superior, but to shipping points at Minneapolis, and to markets south and east of here.

In our opinion, the overriding consideration that Congress must give to continued Federal funding to the highway effort in this State, should weigh carefully the impact that the production of agricultural commodities, the generation of electricity from coal, and the production of oil, have on this Nation's economy, and our balance of payments

Thank you, sir.

Senator BURDICK. Thank you, Mr. Crockett.

Gentlemen, I have a few questions. Mr. Crockett, referring to the last part of your statement, what impact has energy development had on North Dakota roads, how much would it cost to maintain the energy, and past highways you can talk about any other impact other than that if you wish?

Mr. CROCKETT. Well, Senator, Commissioner Hjelle and Mr. Bradley obviously can provide you with more details about the figures about the cost. But again making our presentation largely on behalf of Highway No. 2, I think it's extremely important that your Committee on Environment and Public Works today do consider that this is an area of consideration and that Highway No. 2 is responsible for moving agricultural commodities to not only North Dakota but Montana and Minnesota from a large area. It wasn't in my testimony and I discovered it later that I didn't put it in there. But in looking at prioritization of Federal expenditures, I would think that North Dakota and U.S. No. 2 in particular should conceive, should receive unique consideration because of the military and defense installations that are located within this State. We have already seen excessive abuse by our highways done by the ABM system that now has to be abandoned, and I don't think it's a secret even to the Russians, that we have something in excess of 300 Minuteman missiles in North Dakota and they have to be constantly maintained. It costs us a lot of money to maintain the roads while being built. And these Minuteman sites, I think North Dakota has done more than its share to provide that territory for defense installation. And it's only fair that we should receive consideration for necessary highway facilities that are needed to maintain it.

We see daily reference to the MX and the racetrack systems that will be needed. I would submit that we already have our racetrack, we want some help maintaining that.

Senator BURDICK. Would you suggest, Mr. Crockett, that part of this burden be borne by the Defense Department?

Mr. CROCKETT. I see no problem to that approach whatsoever.

Senator **Burdick**. Mr. Erickson, you are the only member of the legislature here and I have a question for you.

The administration seeks to shift financial responsibility for highways to State and local governments. What experience has North Dakota had in raising highway user fees like the gas tax? How much is the gas tax now? Will North Dakota need to and be able to raise that tax if it's program responsibilities change.

Mr. **Erickson**. Well, Senator, the last session we transferred about $16 million to the highway department to be distributed to townships and county governments. And this is the first time this has happened. But it was rather difficult for the legislature to see raising the gas tax this time around with the 6½ percent oil and gas bonus money that was passed during the November election.

So part of this money then is out of gas and oil taxes. The $16 million was transferred then to help a nontownship government.

In the future I am sure that we are going to be looking at an increase in gas taxes here and to help on our secondary system.

Senator **Burdick**. Mr. Bradley. I have a question for you.

What impact would the administration's proposal to remove special funding for priority primary routes have on North Dakota?

Mr. **Bradley**. Senator Burdick, the removal of priority funding or priority primary funding would have no appreciable effect upon North Dakota because we have not received any priority primary funds since I believe the 1976 act. As a result of the 1878 act North Dakota has received no priority primary funds.

Senator **Burdick**. Is North Dakota prepared to assume complete funding responsibility for secondary and urban roads as proposed by the Federal Highway Administration?

Mr. **Bradley**. I think that is a question that the legislature is going to have to answer. What kind of a highway system do the people of North Dakota want. Do they want to preserve and do they want to improve their system? I think that is a matter that the legislature is going to have to answer. I think that my own personal opinion is that North Dakota depends upon its road system to a maximum extent and if it's necessary for the Federal Government to relinquish its responsibility for the secondary and urban systems, then it's up to the State to take up that difference. However, I would like to say that I still believe there is a responsibility on the part of the Federal Government within the amounts, within the total amounts that it can be affording to spend for highways to still have an urban and secondary program.

Senator **Burdick**. Currently the Federal/State match for the secondary and urban systems is 75/25. S. 1024 introduced by the Subcommittee on Transportation would change this to 50/50. What is your view on a 50/50 match for the secondary and urban programs?

Senator **Bradley**. I think that a 50/50 match with the Federal Government furnishing a substantial amount is a realistic program. I think that North Dakota would have a much better chance of matching Federal aid on a 50/50 basis for the secondary and urban programs than to take the total responsibility for those two programs upon itself.

Senator **Burdick**. Mr. Finsness, I have a question for you.

Rail abandonment has caused increased truck traffic in the State. Do you believe there has been an increase in deterioration of the highway system because of increased truck traffic?

Second part of the question. Do you believe that trucks are paying their fair share of highway costs?

An easy one.

Mr. **Finsness**. The trucking industry says yes.

I don't know, frankly. And I can't respond either to the deterioration of our roads. I think that is someone else's area in our expertise. Sorry.

Senator **Burdick**. What has been the effect on the condition of the State system roads of the 105,500 pound weight limitation? Have such roads required more maintenance than interstate highways which have weight limitation of 80,000 pounds?

Mr. **Finsness**. I am not an expert in the area, but I think so; yes.

Senator **Burdick**. Well, that leaves Mr. Becker for a final question.

The administration's highway proposal would end Federal funds for safety projects such as pavement marking and railway-highway crossings immediately. Would local governments be able to fund these safety program?

Mr. **Becker**. I would have to say, Senator, that in light of the record of the North Dakota Legislature in regards to that, they would, but naturally these things take dollars. And so the legislature would have to begin to try to find the dollars to take up the slack where the Federal Government had left off. I think probably that question could better be answered by Walt Hjelle because I know he has a somewhat deep interest in safety.

Senator **Burdick**. All right. Walter. Do you have the answer?

Mr. **Hjelle**. Senator, I think that present safety programs that we have, they are involved with purchasing ambulances, all the various types of safety programs where we go through the 402 program. It might be a little difficult to continue on if our secondary roads and our urban programs are eliminated. And all this responsibility is dumped on the State at one time, I would say we would have a very difficult time to raise the entire amount as to what we definitely need in the State of North Dakota.

Senator **Burdick**. Is there any further comment from any member of the panel?

Mr. **Bradley**. May I make a comment, Mr. Senator?

Senator **Burdick**. Certainly.

Mr. **Bradley**. In the upcoming legislation there are three significant issues insofar as North Dakota highways are concerned. On is an overriding issue and that is the retention of a minimum one-half of 1-percent funding from interstate completion funds. That means that North Dakota in spite of the fact it has completed its entire interstate system, if this provision were included in the law we would still have one-half of 1 percent of all of the interstate authorization. For example if the amount nationwide were $3.5 billion, North Dakota would receive $17 million annually.

I want to point out that in S. 841 that feature is eliminated from S. 841 in the committee bill S. 1024. It only is provided for the fiscal years of 1983 and 1984. It does not include the final 3 years. So we are urging that that provision be included for all of the 5 years of the bill. We recognize, however, that there is another bill, and I believe it's S. 1208 or S. 1280, which is a budget protection bill. It does have that feature in it. But neither S. 841 nor S. 1024 has that.

The other significant factors are the phasing out of the secondary and urban programs in the first 2 years of the bill, in the administration bill, and the apparent phasing out of it after 4 years of S. 1024, we urge that the urban and rural programs be continued as permanent programs in the Federal aid highway legislation.

Senator BURDICK. My staff has discussed that with me, that the provision referred to has been extended for the life of the bill.

Mr. BRADLEY. We are very happy to hear that, Senator.

Senator BURDICK. Mr. Hjelle.

Mr. HJELLE. There is only one statement I can make, and that is, the Ford-Heart program, which the administration bill proposes, stresses the commitment of a tremendous amount of increasing funds for maintaining an interstate system. In case we don't get those extra funds which we do have the ability to transfer funds that were not needed to maintain the interstate to our primary and urban rural programs.

Senator BURDICK. Thank you, gentlemen. Thank you for your comments.

We will now have panel No. 2.

Members of panel No. 2 are Ron Soderberg of the Association of Counties; Gib Bromenschenkel of the North Dakota League of Cities; Kaye Bratten; Russ Watts; Leo Gray; Lloyd Stromme; and Glen Goodman of the Cavalier County commissioners.

Mr. Soderberg.

STATEMENT OF RON SODERBERG, EXECUTIVE DIRECTOR, NORTH DAKOTA ASSOCIATION OF COUNTIES

Mr. SODERBERG. My name is Ron Soderberg and I am the executive director of the North Dakota Association of Counties.

I appreciate the opportunity to appear today on behalf of the county governments in this State. We would like to go on record however of expressing our concern about some of the other proposed changes in our highway funding bill and particularly in regard to elimination of the one-half of 1 percent provision as it relates to the Interstate Highway System in North Dakota.

To begin, it can be observed that North Dakota counties have nothing short of an awesome responsibility for the rural transportation system in this, the Nation's most rural State. In terms of roads, county governments have the primary responsibility for approximately 15,790 miles of roads. In addition, the counties are responsible for partial participation in the construction and maintenance costs of 57,120 miles of township roads. Rural bridges are also a major county responsibility. The counties have complete responsibility for all rural bridges located off the State highway system. These bridges number some 7,900.

The North Dakota county road and bridge system is in dire need of major repair and improvement. A recent study by the North Dakota State Highway Department is indicative of this need. Therein, it was estimated that 79 percent of the county roads in

North Dakota are substandard. This percentage translates into 11,979 miles of roads. What is even more startling is the estimated cost of the road improvements needed to bring these 11,979 miles of roads up to present standards. That cost is projected to be over $646 million for the grading, regrading, surfacing, and resurfacing work necessary.

The current condition of bridges is no better. A recent statewide inspection of the 7,900 county bridges in North Dakota found that over 59 percent were substandard, either because of their inadequate clearance or load-carrying capacity. In numbers, this translates into 4,687 substandard county bridges. Many of these bridges are in such a deficient state that they literally constitute a hazard to safe travel. The estimated cost of bringing these bridges up to present day standards is over $386 million.

Taken together, the total estimated cost of bringing the statewide county road and bridge system up to present day standards is over $1.032 billion. What is more, this estimated dollar figure reflects costs at today's prices. I need not elaborate on the huge increase in construction and maintenance costs over the past few years. Needless to say, if these cost trends continue, the real dollar commitment necessary to bring our roads and bridges up to standard is actually considerably higher.

Either way, I think it is suffice to say, that it is impossible for the counties, or more appropriately, the North Dakota local taxpayers to be able to afford these kinds of costs alone. Help from the Federal Government is needed. What is more, Federal help is warranted when you consider that a large portion of travel on county roads and bridges comes about for the ultimate benefit of people living in other States.

This last point about Federal help being warranted in solving the seemingly insurmountable road and bridge problems being incurred by the county governments in North Dakota deserves further comment because of the important bearing it has on the subject matter being discussed here today.

North Dakota has long been recognized for its contribution to feeding the Nation and the world. I would dare say that not a single food product, whether that be grain, dairy, or livestock, does not at some point travel on a county road or bridge on its way to market. Which raises a very real and pertinent question. Why should the people of this State pay for the construction and maintenance cost of county roads and bridges alone, when it is recognized that these are often used for and as a direct benefit to others living outside our borders? Our answer to this question is—they shouldn't.

Energy development is yet another area where North Dakota is working hard to help the Nation solve its energy crisis. The last few years have seen energy developmental increases in this State beyond the wildest dreams and expectations of even the most optimistic North Dakotan. And while we recognize the benefits this development has brought to the people of this State and its economy, it must also be recognized that energy development has resulted in enormous damages to county roads and bridges, especially in the western part of the State where the development is most acute. Here again, the question arises as to who should be responsible for the repair of these damages? We would answer that the local people in the area where energy development is occurring should not be solely responsible. Rather, they should receive assistance from people elsewhere in the Nation as well, the same people who are the primary and direct beneficiaries of the electricity, coal, oil, and natural gas being produced.

Yet another major concern to counties of this state is the increased utilization of our roads and bridges due to railroad abandonments. Indeed, only last Friday Burlington Northern announced that it will be soon seeking to abandon 20 branch lines throughout North Dakota, totaling 747 miles. If these abandonments come to pass, it will mean that county roads and bridges will have to bear the goods and commodity traffic previously transported via these rail lines. You can imagine what this will mean to county road and bridge systems in the affected areas. These rail line abandonments, and their accompanying utilization demands, will cause further deterioration on what already are substandard roads and bridges. Reconstruction and maintenance costs will be accelerated. This comes at a time when county governments cannot even afford to maintain their present systems, let alone the new demands that railroad abandonments will cause.

Finally, yet another problem plaguing the North Dakota county road and bridge system is the overall impact of spiraling inflation on our construction and maintenance programs. A few examples are in order. In 1970, the average cost of fully asphalting 1 mile of road was approximately $20,000. Today, this cost is about $80,000, or four times as much. In 1970, the cost of grading was 18 cents per cubic yard. Today this cost is 60 cents per cubic yard, a 333-percent increase. Bridge construction costs have also increased dramatically. In 1970 the cost of constructing a county bridge was on the average $750 per lineal foot. Today this same bridge would cost upward to $1,850 per lineal foot. Relative to county road maintenance, the following statistics clearly demonstrate the dramatic impact of inflation. In 1970, the average county in the State spent an estimated 50 percent of its total road disbursements for maintenance. By 1980, maintenance accounted for approximately 85 percent of the average county road budget in the State.

It is evident that the county road and bridge financing problems must be addressed at least in part at the national level. The sheer immensity of the problems exceed the local taxpayers' capacity for remedy through self-imposed taxes alone.

The counties in North Dakota would recommend that the Congress take the following actions relative to the future of the Federal-Aid Highway Act:

One, preserve the funding for the secondary and urban highway program. This program currently provides North Dakota counties with approximately $3.8 million in Federal aid funding on an annual basis statewide. Obviously this is not a great amount of money when one considers the dollar commitment needed to bring our roads up to present day standards. But it helps, and certainly has more promise than the administration's legislative proposal to phase out this program by fiscal year 1984. If anything, we should be considering increasing this program's funding rather than talking about its elimination.

Two, maintain the Federal bridge replacement and rehabilitation program. This program has been a very good program for the counties in North Dakota. During the current year, the program has provided counties with nearly $3 million in Federal aid for bridge replacement and rehabilitation.

We are extremely pleased that both the administration and the Symms-Stafford bills propose to maintain a Federal interest in bridge replacement and rehabilitation. We have no preference as to the two bills' apportionment formula differences, since we now receive over the minimum entitlement contained in both bills. We would, however, prefer a 4-year program extension.

In addition, we would also request that Congress consider one change in this program if the current secondary and urban highway program is eliminated. That being to increase the allowable percent of bridge replacement and rehabilitation funds that can go to off-system projects. This is needed because all county bridges will be effectively categorized as off-system if the secondary program is abolished. We would suggest that the allowable percentage be increased to at least 50 percent.

In closing I have but one final comment. This is the hope that no one is left with the false impression that the counties in North Dakota are only asking for more Federal help, and are unwilling to do anything for themselves. Nothing could be further from the truth. We are willing to help ourselves to the maximum extent possible.

The people in 43 North Dakota counties have, for example, passed special mill levies of up to 10 mills to provide local funds to match Federal moneys made available by the secondary program. During this past legislative session, the counties received legislative approval to increase this levy to 15 mills upon a vote of the people. The law was also changed so that the funds raised by this mill levy can, with voter approval, be used for maintaining the roads on the county Federal aid system, in addition to matching Federal funds for construction and reconstruction.

County governments have also taken it upon themselves to review their road systems. In many cases, this has resulted in the closing of roads and bridges when the cost of their continued maintenance no longer warranted the expense involved.

The State of North Dakota has also made a major commitment to funding local road programs. In the recently completed 1981 legislative session, $40 million in increased highway funding was approved, including some $7.6 million which will go to counties over the next 2 years.

But these actions are not enough. We need help from the Federal Government if we are to have a good quality and efficient county road and bridge system for moving people and goods in North Dakota.

Thank you.

Senator **Burdick**. Thank you, Mr. Soderberg.

Gib Bromenschenkel.

STATEMENT OF G. H. BROMENSCHENKEL, NORTH DAKOTA LEAGUE OF CITIES

Mr. **Bromenschenkel.** Senator Burdick, staff members.

I am Gib Bromenschenkel of the Fargo City Commission and president of North Dakota League of Cities.

The North Dakota League of Cities acknowledges the excellent working arrangements cities throughout the State have had with the North Dakota State Highway Department and, therefore, support any legislation that would continue the flow of funds through the Federal Highway Administration and North Dakota State Highway Department. The North Dakota League of Cities also supports President Reagan's administrative goals of curbing inflation and accept the fact that cuts will have to be made in all areas. However, the North Dakota League of Cities feels that proposed cuts in transportation related urban assistance is excessive. Included in the highway trust fund are funds derived from gasoline tax used in automobiles which are driven all, or at least a majority of miles, in urban areas. Some never leave the urban area. Therefore, it is only fair and essential that Federal aid to urban systems funding be continued at the same level as in the past.

The construction of the Interstate System did not project the growth of North Dakota cities and thereby there is a need for the addition of interchanges on our interstate highways. Therefore, we support the administration's bill (S. 841) which includes funding of the interstate to include the construction and reconstruction of interstate interchanges.

Many of our cities have primary highways or business loop primary highways through the city and do not have the funding capability to construct, reconstruct or maintain those highways. We, therefore, support legislation to continue the funding of Federal-aid primary systems in urban areas.

We are pleased to note that S. 841 and S. 1024 both include funding for bridge replacement and rehabilitation because many of our State's bridges need to be upgraded in order to handle the increased volume of agricultural and energy related cargo loads.

We are concerned that both of the Senate bills repeal funding for bridge authorization. Because of the anticipated rapid growth due to energy related transportation, North Dakota will be in need of new bridges on secondary as well as primary highways. Also, we support S. 1024's method of funding.

We request that the eligible project cost of $10 million or more for discretionary bridge fund be either eliminated or reduced substantially because very few bridges in North Dakota require that amount of expenditure.

North Dakota is an energy producing State and, thereby, the impact of producing and transporting that energy has created transportation problems for cities in areas of construction and reconstruction of the urban system needed to transport heavy equipment and hazardous materials away from residential and school areas of our cities. We strongly support continued funding of the Federal-aid urban system program because these systems are used by great numbers of people that use, and in many cases, destroy urban highways only to move on to other impact areas leaving the burden of reconstruction upon those city residents that received little benefits.

The auto-rail conflict has multiplied because of the transporting of coal and other energy products across our State making rail-highway grade separations necessary in many of our urban areas. The North Dakota League of Cities opposes the repeal of the Federal-Aid Highway Act of 1973, section 203 for rail-highway crossings and urge that the same level of funding be continued in this area.

North Dakota is the major food supplier of the world, many of the grains collected and going to the cities which of course necessitate movement of heavier trucks using city streets, placing tighter weight restrictions on city trucks adding to the cost of the producers.

The North Dakota League of Cities appreciates the opportunity of appearing before the Senate Subcommittee hearing before you today in this Senate public hearing, Senator Burdick.

Senator **Burdick**. Thank you, Mr. Bromenschenkel.

Our next witness is Kaye Braaten, County Commissioners Association.

STATEMENT OF KAYE BRAATEN, PRESIDENT, NORTH DAKOTA COUNTY COMMISSIONER'S ASSOCIATION

Ms. **Braaten**. Senator Burdick, members of the subcommittee. I am Kaye Braaten, president of the North Dakota County Commissioners Association.

First, I'd like to state that our association is in agreement with the testimony given by Ron Soderberg of the North Dakota Association of Counties.

We, as commissioners, have been very concerned about the effect that inflation has had and will continue to have on our road programs, and now we are concerned about the possibility of less Federal funding, coming at a time when we are facing enormous problems due to railroad abandonments.

Being a commissioner from Richland County, I'd like to use my county as an example and I know that the figures I use can be multiplied by 53 to cover all of the counties of the State.

In Richland County we need approximately $2 million to upgrade county roads to make adequate access to the elevators and other businesses affected by these abandonments and this is only the beginning as there are to be more lines abandoned in the future.

I have included these figures and roads in my written testimony for your study. Also included are the amounts we have received since 1977 from the Federal aid program for counties. You will note as you read over these figures that it will be quite difficult for the county to continue these projects without these funds.

Over the past years Richland County has levied an extra 10 mills for farm to market roads and is still a long way from completing these programs. Without our Federal aid assistance we undoubtedly would be doubling the length of this project.

When the railroads abandon their lines they do not take into consideration the type of road leading from these local elevators and other businesses, and the roads are not always capable of handling the heavy loads. We, in Richland County, are not able to upgrade these roads, by use of local funds alone. Often these same roads have inadequate bridges on them and we need the continued assistance of the bridge replacement and rehabilitation program.

The counties in North Dakota need assistance to the counties in the Federal aid highway bill and we would hope that the redtape created by some regulations could be eliminated or at least reduced.

Thank you for the opportunity to appear before you.

[An attachment to Ms. Braaten's statement follows:]

DATA FOR FEDERAL AID
HIGHWAY FIELD HEARINGS IN FARGO

Railroad abandonment

Cost to upgrade County #4 from Abercrombie to the Colfax Interchange on I-29 (6 miles)
$750,000

From Christine to I-29 (1 Mile)
$150,000

From Tyler to State Highway 127 (1 mile)
$150,000

From Great Bend to I-29 (2 miles)
$300,000

From Mooreton to State Highway 13 (½)
$100,000

From Barney to State Highway 13 (½ mile)
$100,000

From Froedert Malt to By-pass
$500,000

Total costs to Richland County due to Railroad abandonments:
$2,050,000

FEDERAL AID TO RICHLAND COUNTY

HIGHWAYS

Amount received in 1977	$65,000
1978	65,000
1979	78,000
1980	78,000
1981	86,000
1982	84,000

BRIDGES

Wild Rice River NE of Great Bend	$75,000
Antelope Creek near Dwight	121,000
100% Federally Funded bridge on Wild Rice River	155,000
Abercrombie Bridge over Red River	235,000

SOS PROGRAM

Mooreton Streets	$65,000
Wyndmere Streets	52,000

RAILROAD SIGNALS

Hankinson	$54,000

Senator **Burdick**. Thank you very much.

The next witness is Russ Watts, president of the North Dakota Association of County Engineers.

STATEMENT OF RUSSELL WATTS, PRESIDENT, NORTH DAKOTA ASSOCIATION OF COUNTY ENGINEERS

Mr. **Watts**. Senator Burdick, the North Dakota Association of County Engineers is submitting a written statement for the record of this hearing.

Naturally we would like to see more money in the highway and bridge programs, but we can see where there is a problem with budgets, we are hopeful to keep the Federal aid secondary and the bridge replacement programs.

This group is not making comments on the interstate and urban programs because we do not get involved in them. We feel this is better for the State and cities to testify on them.

We are not making any comments on the redtape involved on the projects that we work on because we have a copy of Burleigh County's statement and see no reason to duplicate what they have said. Our group is wholeheardtedly in support of their statement.

The Mine Safety and Health Administration is also another area of concern. We are not commenting on it because we do not know of any of our counties in North Dakota that have had problems with them. We are aware that counties in other States have had problems with them.

Some of the contractors that do business with the counties have had contact with them and this is helping to run up the cost of gravel operations.

We are asking that the Federal aid secondary road program be continued as it presently is. The present Federal, State, and local relationship is doing a good job with what money is available.

The Federal Government should have a part in funding the secondary program for the following reasons:

One, railroad abandonments will cause more trucks to operate on the secondary system to move grain from the farms to markets. Already some farmers are operating their own semitrucks.

Two, energy impact is also adding more traffic and larger trucks and equipment on roads. We realize that there will have to be energy development in North Dakota to help alleviate the energy crisis in the United States. This causes added problems in all the State areas. The coal, oil, gas, and electric production areas because of the other services that go with that come from other areas. This also leads to more pipelines and powerlines running through nonproducing counties so the energy can get to market. We also have pipelines coming from Canada and pass through the State to other markets. Now there are electric lines proposed to come from Canada and pass through North Dakota.

Three, we have what we feel is an outstanding secondary roads division of the State highway department and they do an outstanding job administrating the program. They do a good job of fairly allocating the Federal money to the various projects around the State on an equitable manner based on needs and merits of the projects. When a program operates so well it should not be changed.

Four, Congress has raised the weight limits on the interstate and primary systems, but it will not do truckers any good when moving farm-to-market products if the secondary system is not improved. This also affects trucking in general.

Five, the program provides continuity to a road program. Every political subdivision has different priorities so a road could easily stop at a county line making transportation inefficient.

Six, many counties have voted in a 10-mill levy to match Federal highway programs. If the program is not continued it will be tough for the counties to go back to the voters and tell them the program is all done. This will be especially tough in counties where about half the county has benefited from the program and the rest of the county is waiting for their part to be done.

EMERGENCY RELIEF PROGRAM

We would like to see this program continued as the State and local governments need help after a natural disaster. We would suggest that the relief funds pay 90 percent of the eligible repair costs on the secondary system.

HIGHWAY SAFETY PROGRAMS AND OTHER CATEGORICAL PROGRAMS

We would like to see all these programs combined into one program with the State to set the priorities where these funds go within the State. Funding ratios should be the same as on the FAS system.

BRIDGE PROGRAMS

This is a very important program to North Dakota as our schools buses and farm machinery get larger. This could easily be one program or two at the most (on system and off system) whether to rehabilitate or replace should be set by each State according to their priorities as each State and local community are different. It would make no sense to rehabilitate a bridge to handle heavy loads just because there might be money available and then demolish it a few years later because it is too narrow for farm machinery. Therefore, the State should set the priorities. Each State should be entitled to no less than one-half of 1 percent of the available funds.

The present matching ratio is good although most counties put more money into a project to keep it going rather than wait until there is matching money available. Most counties do the dirt work on bridge projects with their own money and as a result are putting in more money than the matching ration indicates. For example, one bridge project now underway which has an 80–20 matching ratio on the $165,148.16 project the county is spending between $14,000 and $15,000 on the dirt work. It is true some of this is due to improve a hill for safety reasons and also due to a cultural resource investigation which caused hauling dirt for a longer distance than otherwise would have been hauled. This cultural resource also cost the county $1,729 to find out the road site might have been an old Indian bone grease manufacturing area. The oldtimers in the area say that the site used to be a feedlot so it makes one wonder what it really might be.

The carpool and vanpool would be of very limited value to the counties in North Dakota as the carpoolers seem to do a good job without help or assistance from any other source.

Funding for the bridge program and Federal aid secondary program should continue with the same funding as fiscal year 1981 with yearly increases to compensate for inflation.

Thank you very much, Senator Burdick.

Senator BURDICK. Thank you.

Next witness will be Leo Gray, North Dakota State Township Officers Association.

STATEMENT OF LEO GRAY, NATIONAL DIRECTOR, NORTH DAKOTA STATE TOWNSHIP OFFICERS ASSOCIATION

Mr. GRAY. Senator Burdick, staff members, I am Leo Gray, national director for the North Dakota State Township Officers Association.

I want to thank you for this opportunity to share with you some of our concerns. There are 1,362 organized townships in North Dakota. We are responsible for building and maintaining the township highway system. To give you an idea of the size of this system and the rising cost to the township governments, here are the figures for December 31, 1976, and December 31, 1979.

As of December 31, 1976, the townships had built and were maintaining 45,805 miles of the graded and graveled roads. On December 31, 1979, this had risen to 51,325 miles, an increase of 5,520 miles in 3 years. There are also an additional 7,081 miles that have only been graded. As of December 31, 1979, the average cost to the township to grade 1 mile was $5,411 and the gravel added $2,233 per mile and the maintenance was $158 per mile. These costs have all been paid for by the local township taxpayers.

With the impact of each new rail line abandonment the impact on our highway system is increased. We used to build roads to handle loads of 24,000 pounds gross and these have now gone to 60,000 to 80,000 pounds gross.

The bridge program is something that we would like to not even talk about. Most of the township road bridges are posted for 10 tons or less, with 30- to 40-ton loads going over them. We recommend that wherever possible bridges be replaced with culverts that will carry a much greater load per dollar investment and in extreme cases Texas crossings may be the answer.

We must never forget that North Dakota is primarily an agricultural State. Our farm-to-market road system is our lifeline. It will do us no good to have the best intrastate highway system if we don't have adequate primary roads to get to it.

If Federal money is allocated to the township level for road use, its use will have to be flexible such as the Federal revenue sharing program so it can be used to the best local use.

I want to thank you again for this opportunity to talk to you and if there is any information that I can get for you I will do my best to furnish it to you.

Thank you, Senator Burdick.

Senator **Burdick**. Thank you.
Mr. Glen Goodman, Cavalier County.

STATEMENT OF GLEN GOODMAN, COUNTY COMMISSIONER, CAVALIER COUNTY

Mr. **Goodman**. Senator Burdick, my name is Glen Goodman and I am from Milton, N. Dak. I am a county commissioner of Cavalier County having served in this capacity for 11 years.

I thank you, Senator Burdick, for extending the invitation to appear before your committee. The information I am going to present pertains mostly to Cavalier County, but I am sure it applies to other counties of the State as well.

We all know that the No. 1 problem is inflation. To illustrate this, I present the following 10-year comparison in road and budget costs from 1971 to 1981 for Cavalier County.

In 1971 we could purchase gravel for $2.05 a yard. In 1981 it's $5.95, a 290-percent increase.

Equipment rental on an average, this is all types of equipment, was $18 an hour in 1971 and $59 an hour in 1981, an increase of 330 percent.

Diesel fuel we could buy in 1971 at 15 cents a gallon and in 1981 $1.24 a gallon, which is an 827-percent increase.

We could buy a 36 inch culvert in 1971 for $6.60 a foot and now it is $15.64 a foot, an increase of 237-percent.

Road oil in 1971 we brought for 16 cents a gallon; this year it's $1.04 a gallon or a 650-percent increase.

Bridge planks were 80 cents a running foot in 1971 and in 1981 it was $2.43 a running foot or a 304-percent increase.

We could pave the blacktop, a mile of road in 1971, for $30,000 a mile and at the present time it is up to $80,000 a mile this year.

Cavalier County has 195 bridges or box culverts that were inspected by the State highway department 2 years ago and 104 of these structures have only a 10-ton capacity or less, and a lifespan of less than 10 years.

The voters of Cavalier County approved a 10-mill levy in 1972 for a long-range farm-to-market road system in the county with priorities on the ballot. To this date, we have only finished 16 miles of blacktop and no grading or graveling.

Cavalier County has 70 miles of blacktop and 250 miles of gravel roads to maintain and keep in repair.

You can see from these figures that counties and States need help in building and maintaining roads and bridges. Just how the Federal Government can raise the funds necessary to give the aid needed, I do not know, I do think it should be on and 80–20 matching basis, with more funds more funds available than have been in the past.

I think that there could be some modification specifications for farm-to-market roads as to width of roads and right-of-ways with land values going up. Purchase of right-of-ways is a big contributor to the costs.

I thank you for the opportunity to appear before the committee and hope that I have given you some insight as to the problems counties and the State have in maintaining an adequate road system.

Senator **Burdick**. Thank you.

Do I understand that Lloyd Stromme is here?

If not, his statement will be inserted into the record at this point.

[The statement follows:]

STATEMENT OF LLOYD STROMME

We, the undersigned, Board of County Commissioners, Ramsey County, Devils Lake, N.D., offer the following testimony in reference to the legislative proposals for the Federal Highway Program.

Ramsey County electors in November, 1964 voted in a ten mill levy to fund a designated number of road projects that were to be on the Federal Aid System. Completion of the twenty designated projects in the order listed is already several years behind schedule due to the fact that revenues have not kept up with inflation. Local funding matched by federal dollars originally funded one project per year. It now takes three years or more to fund most projects. At the time the projects were first started, the Federal Highway Administration shared a 50% match of the total project. Since that time, the Federal Highway Administration match has steadily decreased and now is less than 1% of the total project. The first ten mile road project constructed in 1966 was bid in at $164,789.60. In 1980 a nine mile project was bid in at $691,679.44 with a Federal Aid Secondary allotment of $54,000.00. The revenue collected into the ten mill levy fund per year is approximately $211,000.00 which is almost the same as it was when the levy originated in 1964. Failure of the Federal Highway Administration to continue the 50% total project match has created an intollerable hardship on the county and has put the County Commissioners in a financial bind for completion of the priority road projects list.

Abandonment of the rail lines will put an even greater burden on all county highways, especially the county's hard surfaced roads. The cost of repair and maintenance of the present Federal Aid System is prohibitive. The impact of increased truck and other vehicle traffic on our highways, due to the abandonment of the rail lines, will result in even more repair and maintenance at a cost higher than is already being experienced. In fiscal year 1980-81 Ramsey County spent $51,000.00 for patching roads on the Federal Aid System. Funds are not available to continue to maintain these roads in good quality condition.

Townships have suffered tremendously as a result of the high cost of road construction and maintenance. Funds are no longer available to aid the townships in the areas of building roads, snow removal, blading, etc. Ramsey County has made the decision to discontinue road construction because it is too costly, however, winter and summer maintenance, at the present time, continues with a charge to the township for these services. Prior to this, the townships were provided with winter and summer maintenance and were given a discount on road construction as an incentive to construct their roads to county specifications.

Bridges in our county are not adequate in many instances and should be replaced. Local funding does not exist to handle the replacement costs. Federal matching dollars are necessary if we are to continue to upgrade and replace bridges in accordance with Federal Safety guidelines under the federal bridge replacement program.

In fiscal year 1980-81 the total revenue received to fund all phases of the County Highway Department was $870,870.00. The total expenditures were $1,261,748.00. Each year we are spending more than received and as a result the reserves are depleted. Local funding no longer can keep up with operational costs and the roads will not get the proper care.

In summation, the Highway Road System cannot survive the present high cost of operation along with the cut back in federal funding and the additional impact that would be felt from the abandonment of the rail lines.

Dated at Devils Lake, ND, this 26th day of June, 1981.

BOARD OF RAMSEY COUNTY COMMISSIONERS

BY: J. C. Connor
Chairman

T. C. Sondeng
Vice-Chairman

Commissioner

Harry E. Anderson
Commissioner

Lloyd Stromme
Commissioner

Senator **Burdick**. I have a few questions. The first one is to Kaye Braaten.

Do you pay for your county road rehabilitation by selling long-term bonds? If so, what is the average length of the term? What is the effect on your local property tax rate?

Ms. **Braaten**. We have not sold bonds in Richland County. We have discussed it very briefly in the last few months.

Senator **Burdick**. That takes care of that.

Mr. Soderberg and Mr. Bromenschenkel. Either one of you may give your opinion or both of you.

The current Federal highway users tax is 4 cents per gallon. Are your associations in favor of increasing that tax as a means of preserving the Federal-Aid secondary and urban programs? If so, by how much.

Mr. **Bromenschenkel**. Senator, I guess as far as the League of Cities goes, we really haven't evaluated that particular situation. However, I think we have taken the position that the automobiles that are traveling within the city right now are not receiving their fair share of that particular fund for maintaining the particular streets and highways within their communities. Wherever that money and whatever that figure may be, we just feel that we should receive our fair share of it.

Senator **Burdick**. Mr. Soderberg.

Mr. **Soderberg**. The North Dakota Association of Counties has never been approached with that particular question as to what our position would be and at this point I would just say I guess it would depend on how that money would be distributed and where the money would go to, if there was an increase in the tax. Obviously there would be an increase in revenues and to equate to both sides of the equation, we would have to know what the tax increase would be and also where it might go before we could really take a position, a formal position of yes or no.

Senator **Burdick**. Well, I will give you some landmarks. In 4 years the highway trust fund will be nil at the present rate, and we have all talked about the service and I talked about them, too. But we have to bite the bullet along the way someplace by having increased taxes or some other means of financing. And I wondered what this panel thought about increased taxes in any area.

Mr. **Bromenschenkel**. Senator, I guess I could respond to this. The North Dakota League of Cities is generally in favor of users' tax. And so therefore if you look at that basis I presume we would be in favor of, if the money is needed in that area that we would support because those people that use the highways and buy the gas, and so forth, would be paying it and in support of a user's tax on that basis.

Senator **Burdick**. Any other comments?

Mr. **Gray**. I believe we were the only ones that had the nerve to go out and push for a gas tax raise the last session of the legislature. And to show the concerns and feelings we had out there, we got a bill passed on the House side which would have raised the gas tax 1 cent by a vote of 72 to 23. If that bill would have gone on through the House or the Senate side, we had enough votes to have overridden the Governor's veto. We also had a bill passed on the Senate side that would also raise the gas tax with the money back to the township level. This is something that we have been trying for a long time. And to show our concern and our willingness to share the expense, the gas highway funds that are coming back to the townships, we are leveling 1 cent nonrefundable, so we are helping the program. Thank you.

Senator **Burdick**. The administration's highway proposal would end Federal funds for safety projects such as pavement marking and railway-highway crossings immediately. Would local governments be able to fund these safety programs? Have these programs been cost effective?

Anybody want to answer that?

Mr. **Goodman**. This would be quite a burden for the counties to assume because signs cost money and they cost money to maintain. Vandalism is very prevalent on all signs particularly, well, wherever it is. I don't think that, I think Federal Government should continue to program. It's an effort to saving lives and this is what we need.

Ms. **Braaten**. Senator Burdick, we had one in Richland County and it was a total cost of $54,000, and I believe the last one we put in was $75,000. Those sorts of figures are hard hitting to a budget that is already short.

Senator **Burdick**. This question is to Mr. Mill.

What Federal design criteria and requirements create the most problems for North Dakota under the urban and secondary programs?

Mr. **Mill**. The county engineers don't get involved in the urban program at all. That's operated between the cities and the State and their engineering departments, on the secondary roads. By and large I dan't think we have many programs with the Federal design criteria. We run into more problems with other agencies, such as your fish and wildlife service, historic program and right-of-way requirements sometimes like they have a proposal or it is a ruling that you cannot acquire rights-of-way until after you have had your design and location all approved. Well this doesn't always work. A lot of time that people come and we want to give you the right-of-way. And by and large all the rights-of-way in our county for our roads are still donated by the farmer. We do not take any for the rights-of way except if you make a change in the river where you have cropland and then we buy the right-of-way for new channel.

Other counties pay for it. So every county is a little bit different there. It varies a lot, statewide.

But we have in our county and a recent case awhile back, the bridge presently is under construction, we hadn't had our plans approved by the State yet. The Federal Highway had to look them over, we had a meeting to decide where the farmers wanted to locate the bridge and if we wanted to leave it where it was or straighten it out. A couple days afterward in came a young man who said he was dissolving his marriage and they wanted this road built, they wanted it to donate the right-of-way to us right now, and he said his problems were not going to effect out bridge. Well, we did take the right-of-way, but we didn't follow the rules and regulations.

Senator Burdick. What impacts might be anticipated as a result of implementing an expanded certification acceptance approach for highway projects?

Mr. Mill. This is handled more by the secondary roads than it is handled out in the field.

Senator Burdick. When do counties and cities receive revenues from the 5-percent oil tax? How much will this amount to in 1981 or in 1982? Will portions of the revenue be used for county and city roads?

Anybody.

Mr. Soderberg. Senator Burdick, in the last legislative session there was a change of the 5-percent tax. Prior to that time there was 1 percent of the tax and this will be continuing to the State or administration and the total tax revenues garnered under the tax and the change in the past, in the legislature, was that the distribution formula on the other 4 percent by the county and State subdivisions, including the city and the school districts, will receive a substantial amount of money because the recognized impact, that the coal energy development would create. However, how much of the money will go into roads and bridges and as far as for both maintenance and construction costs, it is difficult to say for my county as far as the other counties respectively, because each county will make an individual decision on it.

Prior to that time it was designated for roads and bridges, but at the last session it was changed to allow it to go the general fund and thereby be transferred to whatever county felt was appropriate because we, well, the time was to a lot of areas including law and social service programs, roads and bridges, as well as other programs.

So it's difficult to say that there will be some more money coming back, but I think when you look at the cost of doing things, it probably will not be a substantial amount of money in view of the amount of money that is needed to handle those impacts.

Senator Burdick. I ask this question of the panel.

The administration is proposing to eliminate Federal funds for the urban and secondary systems after 1983. Do you think the State and local governments could raise sufficient revenues to support these programs?

It is fine if anybody can answer that.

Mr. Soderberg. I think everyone in the panel has opinions as well as everybody in the audience, but I think that one of the problems that you have when you have a specific hearing on one particular bill is you lose sight of what is happening in its entirely. I think this is a case in point as it relates to the secondary-urban programs. The State of North Dakota spends about $3.8 million on an annual basis for urban roads, and a lot of money has left the State. But when you recognize all the other programs that are also being promoted under the administration package as well as other individual congressional packages, I think what we should look to in the aggregate is the effect of many cuts. So individually we have problems to solve, and it is very very difficult.

Senator Burdick. For the record, secondary roads in 1981 were $7.74 million; for urban roads North Dakota's 1981 share was $3.8 million; so have over $11 million in that category.

Anybody else have any comment?

Mr. BROMENSCHENKEL. Senator, I know for certian that the cities would not be able to maintain the system at the present level without funding. They would be able to maintain to some degree, but not presently on the present level.

Senator BURDICK. What would be the impact of eliminating the metropolitan planning organization?

Mr. BROMENSCHENKEL. A lot of our transportation planning is done on a metropolitan level. I do not know as far as the regional councils, however, as far as metropolitan areas, our experience in North Dakota has been pretty much in the Fargo-Moorhead area. It would be possible to maintain that transportation planning with a cooperative venture between the cities. However, the funding on an audited transportation plan, and so forth, would be a problem, unless some other requirements were lessened from the Federal Government, along with the reduction in the funding for the planning. If there was also a reduction in restrictions, and so forth, then I believe it could be handled.

Senator BURDICK. Given the fact that the Federal-aid highway system draws closer to completion each year, do you foresee a reduced need for federally funded planning activities or a revised format or use for such activities? In other words its planning on going to be reduced.

Anybody want to answer that or is that just an opinion, that I am asking.

[No response.]

Senator BURDICK. OK. Do you believe the counties have an adequate opportunity to participate in deciding, with the States, which secondary projects will be funded?

Ms. BRAATEN. I think that the counties have had a good working relationship with the State Highway Department and we have been asked our opinions on numerous occasions, and again we are being asked to meet with them again about some planning activities.

Mr. MILL. In many of the counties where they have voted in 5 mill levies and 10 mill levies and such for a farm-to-market, that was all set by priorities within the county and voted on, and that is the way the problems are being done, with some deviations. You run into environmental problems or something where a project has been set back. They are changed, but by and large they follow the way they were voted in by the voters.

Senator BURDICK. In other words, I understand that the counties that you do have a chance to participate in the decisions?

Mr. MILL. Very definitely.

Senator BURDICK. Now the last question.

What would happen to the county bridges off the Federal-aid system if Federal funds were restricted to bridges which are on the Federal-aid system?

Mr. GRAY. Senator, from the township level, our trucks would fall in the creek.

Senator BURDICK. That is a colorful answer!

Mr. GOODMAN. I don't think there is a county in North Dakota that could pick that program up and do an adequate job, because the culverts are costly.

Mr. **Mill**. In our particular county we have already had a couple trucks go through the bridges. They were crossing the Cheyenne River with a load of wheat on the way to market and it went into the creek.

Senator **Burdick**. Any contrary opinion?

If not, I want to thank the panel for those contributions.

Mr. **Soderberg**. There are several county commissioners that have traveled long distances and have not had a chance or opportunity to speak and have not been recognized, but I think it shows the commitments of the counties.

Senator **Burdick**. Would the people from the counties stand up and give their names and addresses for the record.

Mr. **Murphy**. John Murphy, Foster County.

Mr. **Geskoe**. Ed Geskoe, LaMoure County. Three more county commissioners here with me. Orville Oxgren, LaMoure County; Lacima, LaMoure County.

Senator **Burdick**. More county commissioners here?

Mr. **Hastings**. John Hastings, Stutsman County.

Mr. **Johnson**. Ordal Johnson, Sargent County.

Mr. **Berg**. Rolland Berg, Richland County.

Mr. **Earl**. James Earl, Grand Forks County.

Mr. **Fenny**. Bob Fenny, Grand Forks.

Mr. **Romfo**. Neil Romfo, Grand Forks.

Mr. **Shawn**. Frank Shawn, Pierce County.

Mr. **Axland**. Axland, Traill County.

Mr. **Huer**. Dave Huer, Traill County.

Mr. **Bill**. John Bill, Burleigh County, assisting Russ in testifying.

Senator **Burdick**. Is that all the counties represented?

Thank you, panel.

The next panel will be Allan Boyce; Bob Johnson, Minnesota Good Roads; Bob Abrahamson, Oil & Gas Producing Counties; Albert Baumann, Mercer County Commissioners; Monroe Shefflo, Elevator Interest; Keith Howard, North Dakota Highway Users.

To follow the order here, we will start with Mr. Boyce.

STATEMENT OF ALLAN R. BOYCE, ASSISTANT VICE PRESIDENT, PUBLIC AFFAIRS, BURLINGTON NORTHERN, INC.

Mr. **Boyce**. Thank you, Senator.

Last week, Burlington Northern published the latest edition of its "System Diagram of Lines Potentially Subject to Abandonment." Publication of this map is required by Federal statue and gives everyone a chance to see how we think our rail system will evolve.

In a word, we see change coming. The rail system serving North Dakota was mostly built in the 19th and very early 20th centuries, literally before there was a highway system. As we consider today the needs for highway construction and maintenance we need to consider also how the rail and highway systems can best work together.

But this change is coming regardless of whether Burlington Northern or the people of North Dakota choose to modernize their transportation system. The first unit train grain shipment left Illinois in 1968. Subterminals have been operating for years in most agricultural States. In order for North Dakota to remain competitive in major markets, we must restructure the 19th century branch line system currently serving this State.

Burlington Northern's system diagram shows 432 miles of North Dakota rail lines—out of the more than 3,400 miles of railroad we operate in this State—in category I. These lines are colored red on the map. By placing these track segments in category I, we are indicating our intention to request authority from the Interstate Commerce Commission to end service sometime before the end of 1983. Please note that while these lines represent about 13 percent of the mileage we operate in North Dakota, last year they generated only 8 percent of the grain originated by Burlington Northern in the State.

We are also required to show category II lines, those which are under study and, therefore, have an uncertain future. These lines are colored green on the map and total 782 miles. We will be watching these lines closely in the future to determine if there is any potential for an adequate return on investment in the long term. As with all of our branch line studies, we welcome input from everyone concerned with the future of these lines.

So what impact does all of this have on North Dakota's highway system? I can see two types of impacts. Remember, we are talking about closing lines in a phased manner over a 2½-year or 3-year period which account for about 8 percent of our grain business, or to say it the other way, 92 percent of our industry will be unaffected in the next 3 years. Statewide, this is hardly dramatic but the impact will be significant in local areas. Some grain which once moved over a certain set of highways to reach a certain elevator may now travel on a different route. It will be very important to plan the spending of highway dollars to reflect any changed movement patterns. We will work very closely with the North Dakota Highway Department to plan the timing of our line closings so as to mesh with highway improvement projects wherever possible.

But there is a second impact which will be much greater. The whole point of streamlining our branch line system and offering rate reductions for unit train shipments is to haul more grain by rail, not less. We expect that these programs will also improve car supply, giving us the ability to continue expanding our total grain carrying capacity.

Thus, the effect of our modernization program will be to reduce the amount of grain moved by truck in toto, particularly the long-haul grain. However, some areas, particularly those near subterminals, will probably experience an increase in short-haul truck traffic. Again, there is a need to carefully plan the use of highway funds to prepare for these changing traffic patterns. There may also be a need for greater flexibility in the use of Federal highway funds so that States can assume a greater role in deciding where construction and maintenance work will be done. The old definitions of "primary" and "secondary" systems may be too rigid.

Again, I want to stress our willingness to work with shippers, communities, and public officials to make the modernization of North Dakota's grain transportation system come about as smoothly as possible. Our interests are really the same as yours—an efficient, high-capacity rail system that keeps North Dakota grain competitive.

Thank you.

Senator **Burdick**. Thank you.

We will hear now from Bob Johnson, Minnesota Good Roads.

STATEMENT OF ROBERT M. JOHNSON, EXECUTIVE DIRECTOR, MINNESOTA GOOD ROADS, INC.

Mr. **Johnson**. Thank you, Senator. I appreciate the opportunity of coming and appearing before your committee and letting you know that we in Minnesota have a few problems too.

My name is Robert M. Johnson. I am the executive director of Minnesota Good Roads, a statewide organization of individuals, businesses, county and city governments, and labor unions, with a single purpose: an adequate road transportation system for Minnesota.

Minnesota Good Roads is affiliated on a national basis with the Better Roads and Transportation Council and National Council of Betterment.

To describe what has happened in Minnesota, we have to look into the history of rural Minnesota since World War II.

In 1946–47 there were 7,000 school districts in Minnesota and schoolbuses were restricted to 48 passengers unless the county board of commissioners approved a larger bus to use on selected routes. There was a creamery in every small town in the State. In fact, it was just during this time that the majority of Minnesota dairy farmers started shipping whole milk to the creamery rather than skimming off the cream and feeding the skim milk to the hogs. Farms began to increase in size, the binder first pulled by horses and then adapted to be pulled by old steel-wheeled tractors, and the threshing machine and its crew of horse-drawn bundle wagons, gave way to the combine and the truck. Instead of the farmer hauling cream to town in a 5-gallon can or whole milk in 8- and 10-gallon cans to the local creamery near the farm, the dairy farmer adopted bulk milk handling procedures and this milk was shipped to creameries anywhere from 10 to 100 miles away. The farmer then began to use commercial fertilizer in large quantities, thereby increasing yields of farm commodities. These changes created a burden for our farm-to-market roads.

The period of 1946 to 1958 gave us the cry for paved roads. In 1946 there were very few miles of rural roads paved outside the truck highway system. The standard design at that time was for a 4-ton road. This would accommodate the 1½-ton truck the farmer used to haul his grain to the local grain elevator, the milk truck, or the small schoolbus.

In the midsixties the design of these roads went from 4 to 5 ton and by this time this 5-ton design still did not accommodate the farmer's 2½-ton truck, the bulk milk trucks, or the 78-passenger schoolbus.

Now in 1970 the design standards were increased to provide 7-ton axle on all new construction. The number of school districts had declined to only 446. Obviously the number and size of school-buses had to increase.

Now, in 1981, we still are building that 7-ton roadway on county roads. In fact, we still have thousands of miles that can carry 7 tons or less per axle.

The trucks are getting bigger, the schoolbuses are getting larger, the number of miles driven on these roads with heavy vehicles is increasing, and the ability to finance the road improvements is being reduced.

There has been an excellent partnership between the Federal, State, and local governments through the Federal highway programs. But this partnership has begun to break down because of redtape, environmental restrictions, and bureaucratic bungling over the past few years. Seven years of public hearings—environmental impact statements—preliminary design—intermediate design—final design—more public hearings—more approvals from every type of government agency—is too long to wait for some of these badly needed road improvements. Think of the added cost just due to inflation.

In order to develop an adequate system of farm-to-market roads, this Federal, State, local government partnership must be continued and strengthened, minimizing the amount of redtape and speeding up the approval system. The road systems must be brought into the 1980's; we've been in the forties too long.

Minnesota's total apportionment for 1981 is approximately $187 million. Of this, about $15 million per year is secondary road funds, about $12 million per year is Federal aid urban funds.

These moneys have been used to maintain our 14,000 miles of Federal aid secondary and 429 miles of Federal aid urban systems.

Of our 13,000 bridges in the State of Minnesota, about one-third of them are deficient in weight, safety, or width.

Consequently, Minnesota Good Roads, Inc. is recommending that the Federal aid for the secondary road system be continued and that the bridge funding program be continued and expanded. These two items will definitely help us improve our rural farm-to-market road system.

We would also like to see more flexibility as to the use of Federal funds from one system to another and some of the standards relaxed—they currently are too rigid for our low-traffic roads.

We would also like to see the Interstate System completed and the gaps closed, especially within our urban areas. As some of our old interstates are now ready to be rebuilt, it would be well to have the system completed before we have to rebuild it. The States definitely need for latitude in the use of their Federal allotments.

Senator, you asked a question. Minnesota is willing to go along with an increase in the gas tax; in fact we have a 13-cent gas tax in Minnesota where North Dakota has an 8-cent gas tax. We have bit the bullet locally and if the Federal trust fund is to remain solvent we are going to have to go along with that.

Thank you very much for this opportunity.

Senator BURDICK. Thank you for answering my question. Thank you.

Our next witness will be Bob Abrahamson, Director, Association of Oil & Gas Producing Counties.

STATEMENT OF ROBERT ABRAHAMSON, DIRECTOR, ASSOCIATION OF OIL & GAS PRODUCING COUNTIES

Mr. **Abrahamson.** Thank you, Senator Burdick.

I am Robert Abrahamson, director, Association of Oil and Gas Producing Counties. I live at Bottineau.

I have been selected to represent them here today. We appreciate the opportunity to appear today on behalf of our association.

My statement will indicate the transportation problems, concerns and needs of the oil and gas producing counties.

Our association consists of cities, county commissions, and school districts in oil and gas producing counties. There are now 17 such counties: Billings, Bottineau, Bowman, Burke, Divide, Dunn, Golden Valley, Hettinger, McHenry, McKenzie, Mercer, Mountrail, Renville, Slope, Stark, Ward, and Williams.

Our great State is ninth in oil and gas production in our Nation. We feel the local counties should not have to bear the cost of grading, regrading, surfacing, and resurfacing work necessary for the heavy traffic the oil industry demands.

We have three major concerns: bridges, county roads, and township roads.

Most bridges in these counties were built for local traffic with a maximum capacity of 6 to 10 tons.

These bridges are now inadequate to carry the heavy loads.

The county roads were mostly farm to market roads, regraded for agricultural needs of our rural areas. Many of these roads in heavy oil traffic need repair regularly. For example, in McKenzie County, where scoria is used in place of gravel, the life span of scoria has been reduced from 5 years under normal traffic to 6 months. In the same area, gravel must be replaced every 5 years instead of 10.

The township roads and section lines are adequate for farmers to get to town with their produce because they usually don't haul heavy loads during wet weather.

When an oil rig is scheduled in a certain area, in they go—rain, shine, sleet, or wind.

We have seen many rural roads completely torn up under adverse conditions by oil related workers.

We are also on the verge of replacing Kansas as the leading wheat producer. With talk of railroad branch lines being abandoned the roads will be used even more.

We feel the county road and bridge financial problems must be addressed at least in part at the national level.

Thank you very much for the opportunity to express some of our concerns of the great people who live and work in the 17 oil and gas producing counties of North Dakota.

Thank you.

Senator **Burdick.** Thank you, Mr. Abrahamson.

The court reporter desires just a little recess so we will have a 5-minute recess at this time.

[Whereupon, a short recess was taken.]

Senator **Burdick.** Our next witness will be Albert Baumann.

STATEMENT OF ALBERT BAUMANN, COUNTY COMMISSIONER, MERCER COUNTY

Mr. **BAUMANN**. Thank you, Senator Burdick. My name is Albert Bauman and I represent Mercer County, N. Dak., testifying as one of the three county commissioners for Mercer County, N. Dak. We appreciate your taking the time out of your busy schedules to come to North Dakota to discuss the legislative proposals for the Federal aid highway program and how they affect us here in North Dakota. I will discuss in my testimony the following items: The bridge program, appropriate Federal roads in the secondary programs, future need of Federal funding and the impact of the rail line abandonments on highways.

Mercer County, N. Dak., has replaced or is in the process of replacing six of our bridges on the road system within the county. We presently have 13 bridges within the system that would be eligible for the 1980–81 bridge replacement program. These 13 bridges represent approximately $1.9 million in bridge replacement costs. Many of our existing bridges are over 60 years old and have a structural condition and width that will not meet today's needs. Today's loads are 10 to 20 times heavier than they were when these bridges were constructed. Also the width of our today's farm equipment has multiplied several times and oftentimes do not use them.

Transportation needs in our county are on a continual increase due to energy development and agricultural products are being trucked further to more central marketing necessitating larger trucks with heavier loads.

With the advent of railroad abandonment it means that our agricultural products must be transported more frequently and farther with bigger loads requiring a much better road system within the county.

With the advent of energy development within our county we have found that the damage to our road and bridge system by trucks carrying heavy equipment had been phenomenal. We are required daily to upkeep our off-system roads so that the oil drilling and seismic equipment can have continued access to the different oil development areas.

We have electric generating plants being constructed with the gasification plant that is in the process of being built within our county's borders. This energy development has put a tremendous demand on our road system. We must have help to keep them up since in the past and present we have been hardly keeping up with the cost of developing roads for the increasing traffic. With the anticipated grant depletion presently proposed it will put an additional strain upon the already small construction budget within the county.

Mercer County has passed a 10-mill levy which has helped us finance our share of the road construction program in the past and we felt this was what we would use as matching funds for the Federal and State programs. Mercer County's population which is typical of counties throughout North Dakota is sparsely scattered as a result of agricultural oriented rural farms and small communities. An extensive network of roads in proportion to the population is needed to get consumer goods to the rural areas and farm products back to market. Our people can only afford so much taxation and with the high percentage of Federal, State, and local taxes the burdens upon our people are tremendous.

In conclusion, I want to emphasize that Mercer County is in the midst of an increase in road and bridge requirements due to railroad abandonment, increase in agricultural product needs, energy development, along with the personal and recreational needs of our people and the energy impact personnel coming into the county.

In conslusion, we appreciate the funds allocated to Mercer County for the bridge replacement program and the Federal aid program. We especially appreciate the access to lakes program which has helped us complete our recreational access to Lake Sakakawea east and west across our county from Highway 200 to Highway 8. Both Federal and State funds have made these programs possible.

Once again, thank you for your time in coming out here to review our problems.

Senator **Burdick**. Thank you.

Our last witness in this panel is Keith Howard, chairman of the North Dakota Highway Users Conference.

Welcome to the committee, Mr. Howard.

STATEMENT OF KEITH HOWARD, CHAIRMAN, NORTH DAKOTA HIGHWAYS USERS CONFERENCE

Mr. **Howard**. Thank you.

Mr. Chairman, we do indeed appreciate your holding of this hearing here in Fargo and it gives us the opportunity of being heard concerning the needs of highways in North Dakota.

I am Keith Howard, chairman, North Dakota Highway Users Conference. The Highway Users Conference is made up of business, agricultural, commercial, industrial, and professional interests who are vitally concerned in the improvement and preservation of our highway system in North Dakota.

In the overall cost of government, we see highway transportation as a constantly decreasing percentage in relation to other programs. We are further concerned with the cost index increase in North Dakota, for highway construction which in 1980 was 2.74 times that of 1967. That means that it required in 1980, $2.74 to do the same amount of improvement or maintenance that $1 did in 1967.

North Dakota is a rural State and its economic well-being is tied to agriculture. Of growing economic significance is coal mining and oil production, which has placed the State in the position of being a major energy producer. North Dakota is ranked among the top 10 States as an exporter of food products. Located in the center of the North American continent, and with only highway and rail as forms of transportation available, everything we produce must move long distances to domestic or foreign markets. It follows then that transportation efficiency and costs are of vital importance to us.

Adding to the transportation problems are the probable abandonment of 1,465 miles of railroad branch lines in North Dakota. As these lines are abandoned, the State's highway system will experience additional impact and be required to provide a higher level of service.

The Federal aid highway program has been important to North Dakota throughout the years. At all levels of government, if has been considered a most successful Federal-State sharing program. We in the Highway Users Conference would want it to continue. In going over the two bills, S. 841 and S. 1024, we find much to be alarmed about in S. 841. First I am concerned with the philosophy that:

First, the level of authorization should be retained at $8.2 billion.

Second, the Federal interest be confined to interstate, primary, and bridge with elimination of the secondary and urban program.

Third, that the minimum 0.5 percent provision applied to interstate completion be eliminated.

I have a firm belief that the cost of improving and preserving our highway system should fall upon the highway user. I also believe that our highway system is deteriorating at a faster rate than we can improve and preserve. Thus, instead of decreasing the amounts of real dollars, we need to increase our funding efforts. I cannot fault the administration's intent to reduce the Federal debt by cutting the budget. On the other hand, since transportation is such a vital part of our economy, we need not allow our transportation system to deteriorate. I am suggesting that if the highway trust fund is insufficient to support the continuation of the Federal aid highway program in its present form, that additional user taxes be imposed to bring it to the proper support level.

North Dakota has some 103,600 miles of highways, streets, and local roads with a population of about 650,000. Because of its widely dispersed population, it needs this mileage for the gathering of its farm production. Without its gathering and transportation system, a rural farm State would find it difficult if not impossible to transport its farm products to domestic and foreign markets. If the United States is to continue to be a leading exporter in farm products, the Federal Government has to retain a responsibility for the local road system. Thus, we are strongly supporting the retention of the Federal aid secondary program.

North Dakota has finished its portion of the Interstate System and under S. 841 would receive no interstate funding after fiscal year 1982. The end result of this and other program cuts is that North Dakota's Federal aid in 1984 would be about one-half of what it is receiving in 1981. Not only will that have a serious adverse effect upon North Dakota's economy in general, it would devastate its highway program and its highway industry. I strongly urge that the minimum 0.5 percent provision applied to interstate funding be retained for each and all of the years in any new Federal aid highway legislation.

Mr. Chairman, the North Dakota Highway Users Conference is very appreciative of your presence here in Fargo. We place our trust in your subcommittee and the Congress to enact new highway legislation that is best for the Nation and for the State of North Dakota.

Thank you.

[An attachment to Mr. Howard's statement follows:]

Highway Users Federation Objectives to be gained through new Federal Highway Legislation:

- Mobility must be improved -- not impeded
- Basic Federal-aid construction programs should continue
- Federal-aid highway systems should continue to be based on functional classification
- State and local governments administrative burden should be reduced as should the number of program categories
- Federal-aid Interstate Highway Programs should be split with one aimed at gap closing and completion of staged construction and the other aimed at reconstruction, rehabilitation, resurfacing, and restoration of Interstate Highways opened to traffic
- All basic Federal-construction programs should include highway reconstruction, rehabilitation, resurfacing and restoration
- The schedule for completion of Interstate Highway environmental impact statements (9/30/83) should be retained but the schedule for construction (9/30/86) should be adjusted to relate to fund availability
- Eliminate diversion of Federal-aid highway funds to mass transit projects
- Long term extension of the Highway Trust Fund, at least until year 2,000, and balance reduced to appropriate cost flow level

Highway Users Federation
Executive Committee
11/6/1980

Senator BURDICK. Thank you, Mr. Howard, for your contribution.

I would have a few questions here for the panel.

I have one first for Mr. Bauman.

Could you elaborate a little more on energy development impact problems in Mercer County?

Do you want to add anything to that?

Mr. BAUMAN. Well, at the county level I would say possibly our largest impact is on transportation. We have increased our road budget by about 50 percent in the last year.

Next in line would be the law enforcement, that budget was increased about 21 or 22 percent.

Third, social welfare is picking up there also. That increased some 20 percent.

And we question the director or why an increase in time when you have people working at these powerplants and making more jobs available in Mercer County than there is in the other parts of the State. Why our welfare budget should be increased. And we specifically asked him, I said, "Where is the new load coming from?" And he says that 62 percent of our new load was from people that were related to coal development, food stamps and other problems and coming there and looking at jobs and not finding anything. And the county is, well, we just have to support them until they find a job or else move out. Or that is where the biggest increase is in the township, that is on the county level. Most of these problems—the cities have theirs too—the county would have.

Senator BURDICK. Has the Federal and State allocation of road funds been adequate in the past?

Mr. BAUMAN. That's my question?

Senator BURDICK. That is your question.

Mr. BAUMAN. Yes. Well, I would say they haven't been adequate. We are having good working relations with the highway department, very good. Our allocation is about $34,000 a year. We match that with county funds and we build less than a mile of roads and we have to pool these allocations until you get, so you can get at least, at least have a project going 5 or 6 miles, 4 or 5 miles, is not adequate.

Senator BURDICK. What would be the effect of elimination of the secondary road systems?

Mr. BAUMAN. I would so agree with the man that answered that before, that if we wouldn't get that, a lot of our trucks would be falling in the creek. And maybe we wouldn't have roads to drive on then. No. We defend very heavily. Oh, we passed the 10-mile levy to provide local funds for matching, and of course we are doing more than your 25 percent. We are possibly doing 50 percent at the present time.

Senator BURDICK. Mr. Howard, I have a question for you.

The administration seeks to shift financial responsibility for highways to State and local governments, and I presume that is referring to the elimination of the secondary program and urban programs.

What experience has North Dakota had in raising user fees like the gas tax?

Mr. HOWARD. I don't think raising the highway users fee is that great a problem. The highway users believe in the pay as you go philosophy. Highway users are very jealous of their funds, however, and they want the highway user taxes to be used to build highways and to build highways only. But whether or not North Dakota can generate additional funds naturally is a legislative problem and the generation of those funds is a legislative problem.

Senator BURDICK. You say you strongly support the retention of the Federal-aid secondary program? Do you also want the urban program continued?

Mr. HOWARD. That all depends, Mr. Chairman, as to what constitutes the urban program that we have been talking about. Mass transit and highway users we are not including constant road—yes. OK. Then yes.

Senator BURDICK. Mr. Johnson, what environmental requirements create the most delays for North Dakota's highway projects?

Mr. JOHNSON. Well, Senator, I have a little hard problem saying what it does in North Dakota. But it does quite a little in Minnesota. We have a couple of pieces of the Interstate that have been held up now for 6, 8, 10 years due to so-called environmental projects. Really what they are is that local people who are getting their toes stepped on a little bit are using some of our rigid environmental to hold up a project that can be helpful to the whole State of Minnesota. I-35 south of Minneapolis-St. Paul, has been held up. I-94 from St. Paul to Hudson, Wis. has been held up. I-494 from downtown Minneapolis is being held up and they are doing it to, they are basing it on environmental problems when it really isn't, and maybe it should be that a good close look should be taken at some of the approvals that have to be given by all of these governmental agencies and maybe a lot of this, maybe a lot of these environmental, so-called environmental problems should be handled on the local level rather than having to be approved by the Federal Highway Administration or the Commissioners, or the Secretary of Transportation.

Senator BURDICK. I realize you are from Minnesota, but we have similar problems here today too.

Mr. Abrahamson, what impact has energy development had on North Dakota's roads? How much will it cost to maintain these energy impacted highways?

Mr. ABRAHAMSON. Well, Senator, honestly I don't think I can give you the total cost of what it would take to replace or rebuild these roads. But we know it would be, that the impact is very heavy. The counties do not receive any money for these roads or the school district or the cities for the problems that we have until they reach production.

To see an area where there is gravel crews in there, working and, you know, raising cain with the roads and that sort of thing, it is strictly a county problem. And we would like to see some upfront money that could come into the government entity to parlay this I guess, to help people. The cost would be tremendous.

You heard different people testifying today on the cost of rebuilding, and so forth, resurfacing roads. That it has to be something along that line to help these counties out because they do not receive any oil money until the production.

I really haven't answered your question probably, Senator. Commissioner Bauman could help you out as far as the total cost.

Mr. **Bauman**. Senator, I would like to give you a round figure cost in our county.

To grade a mile of road runs about $60,000 a mile. That is if you don't have any big culverts and bridges in it.

And the blacktop, like it was brought out here before, from $70 to $80 now, we are not looking at $160 to $170,000 or—no. Excuse me. About $150,000 I would say, that it would hit it pretty close to rebuild and blacktop a mile of road.

Senator **Burdick**. Mr. Boyce. I have a question for you.

During your conversations with local shippers on the impact of rail line abandonment, have these shippers commented on the ability of the local road system to accommodate the increased road traffic? If yes, please elaborate.

Mr. **Boyce**. That is certainly a concern of the people when we talk about closing some of our branch lines, what we will be paying on a local road, and it is sometimes that the fact that we are going to work closely with the highway department and with the communities and with the local officials so we can time any closings that we do make as much as possible to mesh with the highway improvement program so that the traffic can move. I am saying that certainly is a matter of concern, the ability of local roads to handle the truck traffic. And that is why we are endeavoring to work with the highway department, the local communities, and so we can phase the timing of our abandonment to mesh with highway improvement programs.

Senator **Burdick**. My office has received mail in recent months commenting on Burlington Northern's plans to form a holding company and second whether Congress should require land grant railroads like Burlington Northern to consolidate its balance sheet, that is, to consider the return on its railroad operations and the return on its mineral holdings along the right-of-way as a single investment.

If this were the case, what would be the effect on the otherwise "unprofitable" rail lines that you plan to abandon?

Mr. **Boyce**. You're asking if we were asked to consolidate our earnings statement. We do consolidate them today now for reporting purposes. The accounting change like that with one lump amount of our results, together they would still not change our duty as good managers to invest in those portions of the business that are profitable and to disinvest in those portions that are dragging it down.

Now I think most of us probably are questionable subsidies in developing anything including the transportation system, but I wonder how many people stop to realize that those branch lines are losing money, that they are being subsidized by shippers on branch lines that make money, and for how long do those shippers on those profitable lines want to subsidize on unprofitable lines. So it is a duty as managers to invest more money and continue to improve those portions of the system that are profitable and prune out those that can't pay their way.

Senator **Burdick**. I think I heard two members of the panel say, at least they suggested that they wouldn't hesitate to increase users taxes if it meant preserving this legislation.

Any further comments on that?

If not, thank you very much.

Our next and last panel will be Warren Diederich, contractor and Associated General Contractors member; Jerry McCoy, manager; Robert Shepard, North Dakota Farm Bureau; Earl Dunwoodie, North Dakota Motor Carriers, and W. M. Swanston, highway contractor.

Warren Diederich.

STATEMENT OF WARREN B. DIEDERICH, MEMBER, NORTH DAKOTA CHAPTER, ASSOCIATED GENERAL CONTRACTORS OF AMERICA

Mr. DIEDERICH. Thank you, Senator Burdick.

My name is Warren B. Diederich. I am a highway contractor as well as a member of the North Dakota Chapter of the Associated General Contractors of America. I am pleased for this opportunity to testify before you this afternoon regarding the future of the Federal aid highway program.

I am proud to represent the contractors in North Dakota who have an enviable record of accomplishment; especially in the area of highways.

North Dakota was the first State to have completed its Interstate System. Its 571 miles was built at an average cost of $600,000 per mile. This is in contrast to $3 million (based on costs to date plus estimated cost to complete), the average cost per mile nationwide.

North Dakota is a very rural State. Yet, its agricultural products, together with its position as a major energy producer, gives assurance of high ranking in supplying the essential food and energy needs of our Nation and the world. In order to fulfill the role of food and energy exporter, it must have a good transportation system.

Of the 48 contiguous States, North Dakota ranks 45th in population but 6th in area. Its transportation problems are primarily related to a dispersed population—a small population to support a large road system. This system is composed of 81,500 miles of township roads and trails, over 15,000 miles of county roads, and 7,100 miles of the State network.

In the seven areas for which the committee is soliciting testimony, I will structure my remarks around the expenditure of funds for the Interstate System and the proper Federal role in the secondary and urban programs.

We are vitally interested, as contractors, that the highway construction industry in North Dakota remain a viable industry. We are, therefore, concerned that under the administration proposal S. 841 we see the major Federal funding thrust focused upon the Interstate System with the secondary and urban Federal aid highway programs being phased out. The Associated General Contractors, from a national standpoint, has already gone on record to support President Reagan's budget cutting proposals. Thus we, in North Dakota, are not suggesting an increase in the fiscal year 1982 authorization limit of $8.2 billion. What we are concerned about is the funding authorizations within the total budget amount for Federal aid highways. Our concern stems from the Federal emphasis on completion of the interstate at the expense of other programs; especially within the framework of a reduced total highway budget.

With having completed its portion of the Interstate System, North Dakota, under both S. 841 and S. 1024 would receive no interstate funding after fiscal years 1983 and 1984 respectively except for its share of Interstate 4-R.

The Federal aid highway program is essential to North Dakota. We strongly urge that the minimum one-half of 1 percent provision applied to interstate completion funding as contained in the Surface Transportation Assistance Act of 1978 be continued for the entire authorization period of a new bill.

In a related matter, the funding of substitute projects for interstate withdrawals has been a general fund obligation. We are concerned that substitute highway projects would be funded from the highway trust fund. It would be difficult to understand the rationale for funding interstate withdrawal substitute highway projects yet eliminate the minimum one-half of 1 percent provision.

North Dakota's obligation to the Nation as a major food and energy exporter should result in a reciprocal arrangement of a Federal obligation to support adequate transportation within North Dakota. We believe that the planned phasing out of the secondary program will have adverse effects upon our grain gathering and transporation system.

One of the foundation blocks of a most successful Federal-State highway program over some 65 years has been the competitive bidding process in which the private contractor has actually accomplished the construction of our highway system. With the added emphasis on the Interstate 4-R program in the future, we hope that it will continue to be the sense of Congress to continue the competitive bidding process.

I wish to make one more point and that concerns the need of each State to have maximum flexibility to address its own unique needs. North Dakota has given the highest priority to completion and maintenance of its portion of the Interstate System. As a consequence, most of it was constructed before the devastating effect of inflation. Furthermore, the system currently is in excellent condition. Yet, the urgent needs of the balance of the Federal aid system in North Dakota are not being met.

North Dakota is entitled to a minimum one-half of 1 percent portion of the interstate authorization, which if not needed for resurfacing, restoration and rehabilitation of that system, should be transferred to primary, secondary and urban systems.

On behalf of the North Dakota Chapter of the Associated General Contractors of America, I wish to conclude by stating that your strong interest in rural America and your presence here today is greatly appreciated.

Thank you.

Senator Burdick, I have another appointment and I would like to have Mr. McCoy of our General Association to answer any questions, sir.

Senator **Burdick**. I thank you for coming and I thank you for your very excellent statement.

With that you may be excused, Mr. Diederich.

Mr. **Diederich**. Thank you, Senator.

Senator **Burdick**. Our next witness will be Mr. Austad of the North Dakota Farmers Union.

STATEMENT OF ALAN AUSTAD, NORTH DAKOTA FARMERS UNION

Mr. **Austad**. Thank you, Senator Burdick.

My name is Alan Austad and I represent the North Dakota Farmers Union.

Before speaking on highway transportation, a couple of general points should be made. First, agricultural products have no real value in a grain bin or feedlot in North Dakota. Second, our cities cannot survive without the foodstuffs that we produce. And finally, agricultural exports have been the only bright spot in our country's dismal balance of trade situation for a number of years.

The single most important ingredient that adds value to farm products, provides the food to the cities in an edible fashion, and allows agriculture to be an important segment in our balance of trade, is transportation. So while we do not have a tremendous amount of people to move, we do have a tremendous amount of product to move.

In 1980 we marketed over 1.4 million head of cattle; in the 1979-80 crop year we transported over 476 million bushels of grain and oil seeds to market, about 38 percent of this by truck. All or 99.9 percent of the cattle marketings were by truck.

Transportation is a key ingredient in our viability as an agricultural State. Adequate, efficient transportation is a major key to the successful operations of the farms of our State. A short time ago, the Upper Great Plains Transportation Institute did a study on the relative costs of production of a bushel of wheat in this State and the most significant cost the farmers have is the cost of transportation. Transportation is more to us than getting to work on time, or convenience in shopping. While these factors are important, without adequate transportation, we as a segment of the economy would be hard pressed to survive.

When the Federal budget includes money for North Dakota highways, far more people than the some 650,000 who live here benefit. To tie transportation costs to the direct user is shortsighted and poor economic judgment. Every citizen of the United States benefits when our product moves to the market and the end product is used.

As the maps show, we are not overbuilt in terms of major outlets for our products. We have a small combination of the total highways and railroads and no navigable waterways. We are dependent on a local grain gathering system which must then move by a Federal system to our primary and secondary markets.

It is important to maintain Federal aid to our secondary road system. S. 841 eliminates the rural program after fiscal year 1983. S. 1024 maintains the program for the duration of the legislation. In rural areas any legislation which eliminates this program totally will place an unusual burden on rural residents. Individuals in sparsely settled areas will face a larger burden than will residents of densely settled areas. We are opposed to the elimination of the secondary road program and find it difficult to understand the rationale behind the elimination of a program which has provided the citizens of North Dakota the ability to function as a modern society. At the present time, we as agricultural producers can ill afford to have this additional burden placed on less than adequate price of our farm products.

As you are aware, the Burlington Northern has announced its abandonment plans for the State of North Dakota. We have no idea, nor would we hazard a guess, as to what the map will look like next year at this time. We would estimate that we have seen but the beginning of the abandonment process in North Dakota.

When Congress passed the Staggers Act last fall they essentially encouraged railroads to abandon lines. We have been informed by the Burlington Northern that the criteria used to judge a branch line will be the return they could make on the money required to maintain that line if they invested it elsewhere. If the railroads determine that they can earn more money by investing in minerals, which were given them, than by investing in the rail business, the branch line will be abandoned.

We have no idea as to the dollars of investment in the highway system that will be required in future years. We can expect a dramatic increase in the costs, however. Yet while this process is ongoing, the Federal Government wants to eliminate funding from the secondary road program. When the consequences of the Staggers Act are fully known, it would seem wise to increase the funding to the rural road program rather than eliminate it within 2 years.

There are by highway department estimates some 4,800 bridges in this State that are structurally deficient. We would not advocate the complete rebuilding of all these structures, however, many of them will have to be rebuilt to handle the increased grain traffic which is a natural result of rail abandonments. We are encouraged by the fact that both S. 841 and S. 1024 contain funds for the bridge rehabilitation program.

The Federal Government must maintain an economic interest in the road system of our Nation. To take the position that roads are only a State-by-State issue is to deny that we are a united group of independent States. The Federal Government has a responsibility to insure the movement of goods and services from where they are initiated to where they are finally consumed. It must coordinate and balance the food distribution system so that the producers and consumers both benefit.

If we are to operate under less than ideal funding, the logical option is to make less dollars go farther, not by elininating viable programs, but by increasing the required matching shares. It seems that this method will decrease the impact on rural areas and maintain some vitally needed prograns.

In conclusion, let me restate our basic concerns; the secondary road program must be continued; it would be wiser to increase the local matching share rather than eliminate program; and the final responsibility for a transportation system must rest with the Federal Government.

Thank you, sir.

Senator BURDICK. Thank you.

Mr. Bob Shepard, executive vice president of the North Dakota Farm Bureau.

STATEMENT OF ROBERT SHEPARD, EXECUTIVE VICE PRESIDENT, NORTH DAKOTA FARM BUREAU

Mr. SHEPARD. Senator Burdick, thank you for the opportunity to testify at this hearing. Needless to say a quality highway system is critical to the farm and ranch families of North Dakota.

Every commodity we buy or sell must move many miles over highways or railroads, and there has been a tendency to rely more heavily on highways. Since 1974 we have seen a steady increase in the percentage and the bushels of commodities moved by truck rather than rail.

I have included a table prepared by the Upper Great Plains Transportation Institute indicating this increase. This increase to reliance on highways has accelerated the need for improvements and repairs to our highway system.

It appears that the demands on at least our secondary highways will continue. The Burlington Northern has announced its intention to abandon 15 branch lines covering 432 miles in tracks. This means that commodities will have to travel further by road before there is even a chance of going by rail.

The State of North Dakota has become the ninth largest exporter of agricultural commodities. Most of those exports have moved through Minneapolis and Duluth. Yet U.S. 2 to Duluth remains mostly a two-lane road in need of constant repairs.

Farm Bureau members in North Dakota have asked that speed limits be increased on interstate highways to 60 miles per hour. Members favor the retention of the 55-miles-per-hour limit on all State highways and secondary roads as they recognize the reduction in highway fatalities. However, there seems to be little reason to maintain the 55-mile-per-hour limit on roads designed for speeds of 70 miles per hour. The stretches of interstate across North Dakota are long and arduous. A 5-mile-an-hour increase would be appreciated.

Farm Bureau supports a multiyear highway bill such as S. 841 or S. 1024. We certainly support the completion and maintenance of the Interstate System, the primary system and the bridge program as encompassed in both bills. The retention of trust fund moneys for additional categories through fiscal year 1986 as provided in Senator Symms' bill would be especially helpful in North Dakota where our legislature only meets every other year. This would give the State more time to adapt to change in Federal policy.

North Dakota Farm Bureau has historically supported maintaining the responsibility for providing services as close to the local government as possible.

On My 14 of this year, Judith Connor, Assistant Secretary to the U.S. Department of Transportation made the following statement:

> We must stop the costly practice of shipping taxes to Washington, loading on overhead costs and sending them back to state and local officials with detailed instructions on how spend the money. It is not a productive or an efficient way to do business.

I must concur with her comments completely.

You have asked the panels if they thought that the State would support loss of funds from the Federal Government. And I would like to comment on behalf of the organization that I represent that

I think they would be depending on what the Federal Government does. I think that certainly if Congress would approve a reasonable reduction in taxes, it would relieve some of the economic pressures on the local level and would allow for some of these local projects to be funded locally.

In conclusion to be a Federal aid highway program multiyear bill such as S. 841 or S. 1024 should be approved. We support the consolidation of the numerous categorical programs in the highway trust fund. We support giving the States more latitude in their highway programs.

Thank you, Senator Burdick.

[The table referred to by Mr. Shepard follows:]

TABLE 1. NORTH DAKOTA GRAIN AND OILSEED SHIPMENTS BY RAIL AND TRUCK AND DESTINATION

	1974-75		1975-76		1976-77		1977-78		1978-79		1979-80	
DESTINATION	RAIL	TRUCK	RAIL	TRUCK	RAIL	TRUCK	RAIL	TRUCK	RAIL	TRUCK	RAIL	TRUCK
	(thousand bu.)											
MINN.-ST. PAUL	90,556 (84%)	17,537 (16%)	83,290 (79%)	21,610 (21%)	82,764 (76%)	26,856 (24%)	60,859 (71%)	24,372 (29%)	61,186 (66%)	32,168 (34%)	138,318 (60%)	92,225 (40%)
DULUTH-SUPERIOR	88,428 (81%)	21,157 (19%)	110,012 (72%)	42,502 (28%)	80,207 (63%)	47,837 (37%)	121,899 (63%)	71,025 (37%)	140,112 (56%)	110,541 (44%)	79,040 (66%)	40,672 (34%)
WEST	17,149 (72%)	6,679 (28%)	15,376 (70%)	6,654 (30%)	11,703 (56%)	9,120 (44%)	19,386 (67%)	9,645 (33%)	33,461 (72%)	12,952 (28%)	31,878 (68%)	15,076 (32%)
MISC. MARKETS	25,790 (76%)	8,192 (24%)	27,813 (68%)	13,027 (32%)	30,455 (64%)	16,970 (36%)	33,034 (64%)	18,384 (36%)	36,310 (55%)	29,504 (45%)	45,106 (57%)	33,750 (43%)
TOTAL	221,922 (81%)	53,565 (19%)	236,491 (74%)	83,793 (26%)	205,129 (67%)	100,783 (33%)	235,178 (66%)	123,426 (34%)	271,069 (59%)	185,165 (41%)	294,342 (62%)	181,724 (38%)

Source: North Dakota Grain and Oilseed Transportation Statistics, 1979-80, Upper Great Plains Transportation Institute, North Dakota State University, Fargo, North Dakota.

Senator BURDICK. Thank you very much.

Next witness is Mr. Earl Dunwoodie of the North Dakota Motor Carriers.

STATEMENT OF EARL DUNWOODIE, PRESIDENT, NORTH DAKOTA MOTOR CARRIERS ASSOCIATION, INC.

Mr. DUNWOODIE. Thank you, Senator, on behalf of the North Dakota Motor Carriers Association.

We appreciate this opportunity to appear before your committee to discuss our position relative to the highway legislation you are considering. We are in agreement with the general thrust of the committee's contemplated highway program in that it is in line with the overall economic program of budgetary restraint. As we understand it, the program you are contemplating would set a pattern, for a least the immediate future, of limiting total Federal aid highway expenditures to the highway taxes generated within the Federal highway trust fund.

We further understand that such expenditures would include not only current collections through the special highway taxes but would add to this previously collected receipts that make up the current trust fund surplus. This means, of course, the establishment of spending priorities. The legislation you are considering does this by placing first priority on completion of the presently designated National System of Interstate Highways, followed by an accelerated program of resurfacing, restoring, rehabilitating, and reconstructing the system, then by continued Federal aid to the primary system. North Dakota Motor Carriers Association supports these priorities. However, we do not support the dropping of the Federal aid secondary system from the Federal aid highway program. We, therefore, support the retention of this system within the Federal aid program; and when additional funding is available, this road system should continue to receive Federal support.

The trucking industry is vitally concerned about the highway-related issues of truck size and weight regulations in the Federal-Aid Highway Act. The current limits are preventing increases in truck productivity, particularly more efficient fuel utilization. As my testimony will indicate, this impact is particularly severe in the West.

With 36,000 communites in the United States who depend entirely on trucks for delivery of goods and service, it is more important than ever we maintain this system in quality condition. Highways are and were built to improve economy as well as convenience of travel. The more traffic a highway has, the healthier the economy, and all business prosper.

Highways will be called upon to fill in for the railroad branch line abandonment and will be able to do so only if continued care is given now to maintain this system. This system must include rural roads and bridges; 100 percent of our livestock move by truck to market, 54.6 percent of our potatoes, 97 percent of all fresh vegetables and, nearly 40 percent of our small grains, and the need continues to grow.

Standard weights and sizes between States must be encouraged to allow an even flow of traffic and goods to all communities.

Length is not controlled by Federal law. However, despite this and despite the fact that the 65-foot length twin-trailer combination is universally operated in the West and has a record of great efficiency and safety, the industry is still not able to operate this combination in 17 States. If we were able to operate in all States with at least the 80,000-pound gross weight limit and the 65-foot length required for the twin-trailer operation, our industry would save approximately 140 million gallons annually in fuel. Further, nationwide operations of combinations of this type would produce additional savings through greater efficiency in other areas.

The current trucking industry policy calls for a minimum gross weight of 80,000 pounds; a minimum length of 60 feet for tractor semitrailer combinations, and 65 feet for other vehicle combinations. Importantly for the West, which already has these limits, is the fact that the policy mandates minima only. Under the industry's policy, for which we would seek early congressional implementation, maximum vehicle combination lengths would be left to each State to determine in accordance with its individual transportation requirements. The industry policy would also provide for the elimination of any fixed maximum gross weight limit such as now exists in the Federal law. Maximum gross weight would be controlled in each State by the application of the gross weight formula—bridge table B—as presently contained in section 127, title 23, United States Code, to the particular vehicle, or vehicle combination, involved.

This program in no way presents any threat to the serviceability or life of our modern highway system. The lengths, axle weights, and gross weights that States would be permitted to have are completely in line with highway capabilities. Our modern road system was designed and built for these lengths and weights. The trucking industry's approach by allowing the States the flexibility to adjust their lengths to meet individual State or regional needs, but to have gross weights compatible with bridge design, makes it possible for States and/or regions to accommodate and meet more realistically varying transportation requirements.

The western part of the country is particularly dependent on truck transportation, and on the need to achieve greater efficiencies in motor carrier service. Just as we need a continuation of a progressive highway program, we need to be able to utilize modern highways to their fullest economic potential. We cannot do this under the present Federal standards.

Another area which the trucking industry policy addresses is that of vehicle width. The present Federal limit is 96 inches on the National Interstate System, unless, of course, a State had a higher width limit to a 102-inch permissible width limit. Here again this will enable the States to provide greater cubic capacity required by many thousands of commodities and lead to increased truck productivity.

Truck combinations, including turnpike doubles and western triples, have been operating for years on the Nation's toll roads and in many cases under special permit operations in the western part of the country. These vehicles have built up commendable safety records and have produced great energy savings and increased productivity for our industry. The Congress should study the feasibility of authorizing these longer combinations on a selected system of the Nation's four-lane highways.

Finally, Mr. Chairman, I would like to comment on a vexing problem which the industry faces in connection with the present Federal size-and-weight regulations.

The Federal-Aid Highway Act of 1956, as amended in 1964, provided a grandfather clause that was specifically designed to protect weight limits in a State that were legally permissible in 1956, even though they might exceed the Federal limit. Some of these higher weight limits were allowed under special weight permit sections in the various State statutes.

We believe the language of the 1956 statute to be quite clear. This clarity was in no way disturbed by the 1974 amendments. Despite this, however, several States, particularly in the West, have had special permit operations challenged by the Federal Highway Administration on the basis that the States were permitting gross weights not allowed under Federal statute.

We believe these decisions, which have resulted in the Federal Highway Administration withholding part of the Federal highway funds from some States, and threatening to withhold it from others, represents an unwarranted and unjustified action by the Federal Highway Administration.

The central question at issue is who makes the determination as to what the State law permitted, or did not permit, at the time of the enactment of the law, or at the grandfather date. We do not believe the State laws in these instances are that ambiguous, but even so we believe that the individual State, as supported by the interpretation of the State attorney general, or by the State court, is the best arbiter as to what the State law did, or did not, allow.

We would request that this committee give consideration to this serious problem and aid our industry in working with the States in seeking a proper interpretation of the grandfather clause, including a decision as to who has the authority to make the final interpretation.

The North Dakota Motor Carriers Association on Federal size-and-weight regulations provides for the following:

The Congress would mandate a single-axle weight of no less than 20,000 pounds; a tandem-axle weight of no less than 34,000 pounds and a gross weight of no less than 80,000.

The single-axle weight of 20,000 pounds and the tandem-axle weight of 34,000 pounds would continue to be maxima under the Federal law unless higher axle weights were permitted as of the grandfathered date of the legislation. In such a case the higher axle weights would continue, but they could not be increased.

There would be no Federal gross weight limit set forth specifically. The bridge formula, which is table B, currently in the Federal law would be used to determine the maximum gross weight as applied to the particular vehicle combination involved.

The North Dakota Motor Carriers Association policy provides for a mandating of not less than 60 feet of length for a tractor-semitrailer combination, and a length of not less than 65 feet for other combinations. The policy further provides that States may not prohibit the operation of more than two units in a combination. There would be an appropriate grandfather clause to protect a State which may be legally allowing a gross weight in excess of that produced by the formula (table B).

Under the North Dakota Motor Carriers Association policy, States would be able to permit vehicle combination of any length, but the gross weight of these combinations would be controlled by the application of the formula (table B) to the particular vehicle combination involved. Thus, the maximum gross weight of a vehicle would depend upon its overall wheelbase, number of axles, and axle configurations.

The North Dakota Motor Carriers Association policy would go to the National System of Interstate Highways, and Federal-aid primary highways, including reasonable access to these roads.

Thank you, Senator.

[An attachment to Mr. Dunwoodie's statement follows:]

TRUCKING INDUSTRY POLICY ON FEDERAL TRUCK WEIGHTS AND LENGTHS 1/

	Minimum To Be Required Under ATA Policy	Maximum To Be Permitted Under ATA Policy
Single Axle Weight	20,000 lbs.	20,000 lbs., or higher weight if permitted by state statute as of new "grandfather" date to be provided in Section 127, Title 23, U.S. Code.
Tandem Axle Weight	34,000 lbs.	34,000 lbs., or higher weight if permitted by state statute as of new "grandfather" date to be provided in Section 127, Title 23, U.S. Code.
Gross Weignt	80,000 lbs.	No Federal maximum gross weight. States allowed to set maximum gross weight but such weight must be in conformity with that allowed under Gross Weight Formula as provided in Section 127, Title 23, U.S. Code. (Formula, or "Table" B) Any state gross weight limit legal as of the date of the new "grandfather" clause to be provided in Section 127, Title 23, U.S. Code would continue to be allowed.
Vehicle Combination Length		
Tractor Semi-Trailer Combination	60 ft.	No Federal maximum length. States may permit longer lengths but gross weight of combination shall be limited to that produced by application of the gross weight formula provided in Section 127, Title 23, U.S. Code.
Tractor Semi-Trailer, Full Trailer Combination, Twin-Trailers and Other Combinations (States must allow two or more trailing units 2/11/81)	65 ft.	No Federal maximum length. States may permit longer lengths but gross weight of combination shall be limited to that produced by application of the gross weight formula as provided in Section 127, Title 23, U.S. Code.

TRUCKING INDUSTRY POLICY ON FEDERAL TRUCK WIDTH 1/

96" Required Minimum	102" permissive maximum (replaces current maximum of 96" as provided in Title 23, Section 127, U.S. Code).

1/ For National System of Interstate and Defense Highways and Federal-aid primary highways, including reasonable access to such roads.

Senator **Burdick**. Thank you.

Next witness is Mr. Leonard Fagerholt, Walsh County commissioner.

STATEMENT OF LEONARD FAGERHOLT, COUNTY COMMISSIONER, WALSH COUNTY

Mr. **Fagerholt**. Thank you, Senator Burdick.

My name is Leonard Fagerholt and I am a Walsh County commissioner from Hoople, N. Dak.

Walsh County is blessed with two things: The number of miles of county roads and the number of bridges. We have 290 miles of gravel and 160 miles of blacktop. The present investment in blacktop roads is $4.5 million. The voters passed a 5-mill levy for farm-to-market roads in 1958 and we completed the last project this summer.

In 1978, Walsh County voters approved a 10-mill levy for farm-to-market roads. At the present time we have 84 miles that remain to be done at an estimated cost of $10 million. We recently completed a paving project which included 5 miles of three-unit asphalt and an overlay on 20 miles at a cost of $1,300,000.

The Federal Government allowed us $300,000 on this project. It took us 4 years to generate enough money for this project.

Maintenance of paved roads is another very costly item. I believe that all paved roads should be resealed at a minimum of once every 5 years. We do our own work and it costs us approximately $8,000 to reseal 1 mile of road.

We recently completed our budgets for the next fiscal year and with available funds we budgeted $100,000 for resealing. Not counting any new projects, it would take us 16 years to complete the reseal program.

Our gravel roads are in a deplorable condition. We have gravel roads that when it rains the only vehicle that you can use is a four-wheel-drive pickup. At our last commission meeting we estimated that at a bare minimum it would take 16,000 yards of gravel to make our roads passable with a car.

We have four rivers in our county with approximately 530 bridges. Eighty percent of our bridges are deficient bridges which means the bridges are not designed for today's loads.

Another thing that we are very concerned about is lawsuits. And in the future we may have to consider closing marginal roads and bridges because of lack of funding to adequately repair substandard structures.

Our bridge program this year includes one new bridge and general repair of several other bridges. We recently purchased portable scales to try and cut down the weight of the loads that are being hauled in Walsh County.

There are a lot of beets and potatoes grown in Walsh County and the truck traffic in the fall of the year is unbelievable. Our roads and bridges are just not made for today's traffic.

What effect the abandonment of railroad branches will have is hard to comprehend. We have 11 cities in Walsh County and five of these are located on State highways and at the present time all are on class AA roads. In order to move our agricultural products to market, I believe that we will have to have an AA road leading to each of our cities.

Thank you.

Senator **Burdick**. Thank you very much.

I believe the other witness, Mr. Swanston, is not here.

Does anyone have his statement?

[No response.]

Senator **Burdick**. Well, I will ask a few questions.

Mr. McCoy, during the past few years the highway construction industry has experienced an inflation rate approaching 20 percent. Do you believe this will continue during the next few years?

Senator **McCoy**. Well, we are hoping, Senator, that the rate will start lessening. However, especially to hold it down to the one unit. In placing a figure, yes. We anticipate continued increase in construction costs, mainly in the area of materials and of course our labor costs are going up also.

Senator **Burdick**. Well, that is going to have a bearing then on the size of the highway building, isn't it?

Mr. **McCoy**. Certainly is, sir. And you can rest assured it's a factor.

Senator **Burdick**. Mr. Fagerholt.

What would be the effect on your county if Federal funds for the secondary program were eliminated?

Mr. **Fagerholt**. Well, it would just delay some of our projects, like the one we did this summer now. The cost was about 75 percent to 25 percent. We just had to delay 1 more year. Everything would be set back, which I think would depend on the highway, Federal highway gas tax. If you placed it, just gave the people a mill levy based on a mill levy, you are not going to hear any objections. But if you put it to the voter, I will say that it will be turned down.

We last year borrowed, the statute in North Dakota allows us to borrow and place 3 mills for anything we want in the county. We borrowed $65,000 to save the roads. It was no objection, there were no objections. And yet we have tried to get a 5.57-mill levy for gravel and the voters turned it down.

Senator **Burdick**. The testimony heard here is almost unanimous for the secondary road program.

Mr. **Fagerholt**. Yes.

Senator **Burdick**. We want those, we will have to pay for it.

Mr. **Fagerholt**. Absolutely. If you place it to the people, they are going to have to vote on it, you know.

Senator **Burdick**. We can't determine that.

Mr. **Fagerholt**. No. I know that.

Senator **Burdick**. Mr. Dunwoodie, you suggest that we not increase gas taxes but increase excise taxes. Have you done a study on how much that will bring in?

Mr. **Dunwoodie**. No. I didn't really suggest nothing, taxes. But I suggested that this Federal excise has been removed from certain portions of it. But in our industry it has not been removed. And whoever uses it, they should pay the taxes.

Senator **Burdick**. Would that compensate for the short haul in funds if you don't have an increase in the gas tax?

Mr. DUNWOODIE. Not with the increases going up the way it is, the expenses. You have increase in your gas tax, but there are vehicles that do not pay the same tax.

Senator BURDICK. I understand.

There is another question of Mr. Dunwoodie. The twin- and triple-trailer combinations may work well in the Midwest and West where we have wide-open spaces. But what will be the impact of these links in the more congested, urbanized areas in the East? Do you believe States should have the ability to determine what size and weight of trucks are allowed on their roads?

Mr. DUNWOODIE. Well, I will say that States that have the right to designate the size and widths, to the interstate where they can run from terminal to terminal, they wouldn't affect the rural roads that much. The Department of Transportation has recently done a study and they found out from the Midwest to the West out there that if between ports that 90,000 pounds gross was in line with the railroads, so we can't overlook that for the areas that are losing that type of service.

Senator BURDICK. Mr. Austad, in your testimony you suggest increasing the matching share for the secondary system. S. 1024 would increase the State matching share from 25 percent to 50 percent. Would you support this and do you believe the State can provide these additional funds?

Mr. AUSTAD. Well, I think if the option is to eliminate the program or to increase the State matching share, the beneficial way for the State would be to increase the matching share. I think it would be far easier for a State to raise money to meet the matching share rather than to raise the total.

We would support it and I think it would be far easier to continue the program in that vein rather than simply eliminate it from the Federal and say, "You have got to raise all the money." Far easier to raise a matching share than have the Federal Government participate somewhere——

Senator BURDICK. Was this 100 percent?

Mr. AUSTAD. Certainly.

Senator BURDICK. Mr. Shepard, you said you support "maintaining the responsibility for providing services as close to the local government as possible." How would you do that in the highway program?

Mr. SHEPARD. Well, I think that when you are looking at township roads, county roads, that there are certainly, that is certainly a national responsibility for Interstate Highway System. I don't think anybody would argue with that. I think they would start looking at county roads and township roads that we should look for local means of financing preferably at the county level. If it has to be at State level we think that is better than going to the Federal Government sending its dollars to Washington and then sending them back down to the counties.

Senator BURDICK. Well, how would that interfere with the present secondary road system, support, some of the very roads you are talking about?

Mr. SHEPARD. I am sure that I——

Senator **Burdick**. Well, S. 1024 continues to support the secondary roads which includes some of the areas that you testified to. Would you be for that or would you be for the other?

Mr. **Shepard**. I think we would prefer S. 1024 giving the State and local governments more time to adapt to the changes. Also the level of matching funds I think would be preferable to what appears in S. 841.

Senator **Burdick**. Well, I think that concludes our hearing.

Thank you all for coming and we appreciate it very much.

That brings the hearing to a conclusion.

I believe if there is nothing further the hearing is complete at this time.

Meeting is adjourned.

[Whereupon, at 4:30 p.m., the hearing was adjourned to reconvene at the call of the Chair.]

[Statements submitted for the record follow:]

STATEMENT OF WALTER R. HJELLE, HIGHWAY COMMISSIONER, NORTH DAKOTA STATE HIGHWAY DEPARTMENT

Mr. Chairman, Committee Members, we are most appreciative of the Committee selecting North Dakota as one of the sites for holding hearings to discuss legislative proposals for the Federal Aid Highway Program. North Dakota is a very rural state and its predominant economic activity is agriculture. Additionally, coal mining and oil production have placed the state in the position of being a major energy producer. North Dakota's transportation problems are primarily related to the economic and social needs of a dispersed population. It must transport large volumes of relatively inexpensive weight intensive commodities with only two forms of transportation, highways and rail.

The number of vehicles, in particular, registered trucks, further indicates the rural reliance of roadways. Vehicle registrations in relation to population shows one truck for each 2.56 North Dakotans. This compares to New York with 17.98 persons per truck, and Illinois with 9.51 persons per truck.

Perhaps no other state has the same geographic/transportation disadvantages. Located in the center of the North American continent, North Dakota is 1,200 miles from the Pacific Ocean, 1,800 miles from the Atlantic Ocean, and 1,600 miles from the Gulf of Mexico. Everything we produce must move long distances to reach either foreign or domestic markets. Manufactured goods from other parts of the United States and the industrial world find the return trip to North Dakota just as difficult.

Nationally, there is a concern over the production of food and energy. North Dakota is a net exporter of food and energy.

On the world scene, the United States is the number one exporter of food. A vast amount of this food comes from the Midwest and much of the food from the Midwest comes from North Dakota, where we rank first in the production of hard red spring wheat, durum, barley, sunflowers, rye, and flaxseed. We are also one of the leading producers of potatoes, edible beans, and sugarbeets.

It is a generally accepted fact that the ability to produce food in our country has exceeded the advancement in transportation's ability to move our agricultural commodities. Government, in recognition of agriculture's positive contribution to our nation's balance of trade, should give a top priority to the improvement of transportation facilities which improve the movement of our agricultural commodities. The ability to produce food in large quantities at a reasonable cost is important, but of equal importance is the ability to transport it to market.

The gathering of individual farm production and consolidation of that production into on-farm storage, local elevators, warehouses or other fixed storage is a truck operation. This gathering system is comprised of 81,500 miles of township roads and trails, over 15,000 miles of county roads, and 7,100 miles on the state network. Nonsurfaced roadways account for 88 percent of this total farm-to-market system. The relative importance of truck movements in the total movement of grain out of North Dakota has increased significantly. In 1974 trucks accounted for 19 percent of the total grain shipped to terminal facilities; this figure had climbed to 41 percent by 1980. It is obvious from these facts that the level of roadway development has not kept pace with the economic and social needs of the nation's farmers.

Throughout the text of my comments I have said little about the movement of people. I would, however, like to touch on this subject briefly.

It is difficult for the people in urban centers to realize the needs of people in rural areas. A large percentage of this state's elderly population live in small communities which are more than an hour's travel time to the nearest hospital or clinic. The rural educational system is based on consolidated schools--a system which has evolved as a method of bringing education to a widely dispersed population. Each day 1,550 school buses transport more than 49,000 pupils to and from schools. Annually, school buses in North Dakota log an excess of 25 million miles, most of which is traveled on gravel roads.

Highways are the dominant means of transportation in North Dakota. This is one of the reasons why the Federal Aid Highway Program is so important to us. We are deeply concerned that North Dakota's share of federal aid funding will be wholly inadequate to keep pace with the needed improvements on its road systems. The problem becomes more acute as motor fuel tax revenues decrease and inflation chokes the value of the dollar. The relationship between capital improvements and maintenance becomes involved in a vicious circle as maintenance expenditures increase because of lack of capital improvements. Thus, less is available for capital improvements as maintenance expenditures increase.

The balance of my testimony concerns the seven areas listed in the invitation letter for which your Subcommittee is inviting comments.

1. EXPENDITURE OF FUNDS FOR THE INTERSTATE HIGHWAY SYSTEM

   North Dakota has completed its Interstate System. Over the past twenty years, when state financing for maintenance and matching federal aid has been difficult, we had chosen to place the highest priority on the construction and maintenance of our portion of the Interstate System. This has been made, to an extent, at the expense of our Primary and Secondary Systems.

We are deeply disturbed about the following:

A. The total cost currently of completing the Interstate is $66.3 billion. (This is based upon combined federal-local sharing with an annual 10 percent inflation rate over a ten year period and built to current Interstate standards.)

B. The Administration Bill (S. 841) places highest priority on the Interstate System. For FY 1984 Interstate funding accounts for 64 percent of the total proposed Federal Aid Highway authorizations for that year. If total Federal Aid Highay annual authorizations are to be held within the $8.1 billion level, it follows that a relatively small amount would be reserved for other highway programs and for those states having completed or nearly completed their portions of the Interstate System.

The Surface Transportation Assistance Act of 1978 (STAA 1978) provided that "for each of the fiscal years 1980, 1981, 1982, and 1983, no state, including the state of Alaska, shall receive less than one-half of 1 per cen tum of the total apportionment for the Interstate System under Section 104(b)(5) of Title 23, United States Code. Whenever amounts made available under this subsection for the Interstate System in any state exceed the estimated cost of completing that state's portion of the Interstate System, and exceed the estimated cost of necessary resurfacing, restoration, and rehabilitation of the Interstate System within such state, the excess amount shall be eligible for expenditure for those purposes for which funds apportioned under paragraphs (1), (2), (6) of such Section 104(b) may be expended and shall also be available for expenditure to carry out Section 152 of Title 23, United States Code."

S. 841 would eliminate this provision after FY 1983.

S. 1024 would eliminate this provision after FY 1984.

As a matter of comparison, North Dakota, in FY 1981, has been apportioned a total amount of $60.5 million in federal aid for all highway programs but if S. 841 were enacted, it would reduce North Dakota's total amount of federal aid in FY 1983 to $31.9 million. This would devastate our highway program. Let me emphasize here that the single most important factor to North Dakota in any new highway legislation is to continue the minimum one-half of one percent provision applied to Interstate funding, as contained in the STAA 1978, for the entire authorization period of a new bill.

2. CATEGORY CONSOLIDATION

We would propose that the number of funding categories be reduced in order that the federal aid financing process be more effective and flexible. It is recommended that seven major categories be funded as follows: Interstate completion, Interstate 4R, Bridge Replacement and Rehabilitation, Primary, Secondary, Urban, and Safety.

We are concerned that new legislation would not place adequate emphasis on the continuation of the safety program. We believe that the establishment by Congress of the Title II program was a milestone in highway safety and should be continued with adequate funding. We do not believe that all of the existing programs and categories within Title II are necessary and recommend instead a single safety category in which the states are given the flexibility to use these funds as best suited to their own particular safety related needs.

3. RECONSTRUCTION NEEDS AND APPORTIONMENT FORMULA

While there are routes on our state highway system in good condition and built to high standards, there remains many miles which have significant deficiencies. Most of our systems have been built on a stage construction basis. Our highways continue to age while frequency and intensity of loadings increase. Coal and oil development along with intensified grain hauling is causing a serious deterioration of our highway system. Taking into account inflation and deterioration, the existing funding levels are insufficient to meet our highway needs.

We would not propose to change the existing apportionment formulas for Primary, Secondary, and Urban Federal Aid Highway Programs.

4. BRIDGE PROGRAM

The continuation of the Bridge program is essential. Deficient bridges are a state problem as well as a national. Each school day large numbers of school buses cross bridges which have been classified as deficient. In some cases, the condition of the bridge requires that the school children exit the vehicle, walk across the structure, and reboard the bus on the opposite side. Most of the bridges in rural areas were built a half century ago to accommodate horse and wagon loads of grain to the nearest county elevator.

5. APPROPRIATE FEDERAL ROLE IN SECONDARY AND URBAN PROGRAMS

We seriously question the Administration's philosophy of no federal interest in local roads. This philosophy is endorsed by the proposal to terminate the Secondary and Urban Programs. We firmly believe there should be a definite federal interest and responsibility in the transportation of agricultural products from the farms. Furthermore, we believe there is a federal responsibility in replacement and rehabilitation costs for roads impacted by energy development operations. We recommend that the Federal Aid Secondary Program be continued. Most of the major street improvement projects within our cities of 5,000 population and over have been funded under the Federal Aid Urban Program. It has been a very successful program in North Dakota and we strongly urge that the Federal Aid Urban Program be continued.

6. FUTURE FEDERAL, STATE, AND LOCAL RELATIONSHIP ON FUNDING

If it is necessary that the Federal Aid Highway Program authorization for 1982 be left at the $8.1 billion level, we would propose some changes in the matching ratios. In order to provide for new construction and to preserve what we have, in the face of less than adequate federal funding, we recommend the following matching ratios:

Interstate	Continuance of 90% federal-10% state
Primary	60% federal-40% state
Bridge	70% federal-60% state and/or local
Secondary	60% federal-40% state and/or local
Urban	50% federal-40% state and/or local
Safety	60% federal-40% state and/or local

We continue to believe that the federal government through the FHWA should continue to be a partner in the seven categorical programs.

7. IMPACT OF RAIL LINE ABANDONMENTS ON HIGHWAYS

During the last five years, several miles of railroad branch lines have been abandoned. Over one-half of North Dakota's railroad branch lines are classified as light density rail. Presently, 1,465 miles are subject to abandonment. As these lines are abandoned, the state's roadways will experience additional impact and be required to provide a higher level of service.

Your presence here today indicates a strong interest in the transportation needs of rural America. In closing, I wish again to call your attention to the overriding need to continue the minimum one-half of one percent provision for FY 1983, 1984, 1985, 1986, and 1987 applied to Interstate funding as contained in Section 104(b)(1) STAA 1978. That provision along with continuance of the Secondary and Urban Programs will go a long way toward assisting North Dakota in providing for its highway needs in the 1980's.

STATEMENT OF JON MILL

BURLEIGH COUNTY ENGINEER

BEFORE THE TRANSPORTATION SUBCOMMITTEE

OF THE SENATE COMITTEE ON ENVIRONMENTAL AND PUBLIC WORKS

FARGO, NORTH DAKOTA - JULY 1, 1981

I am Jon Mill, County Engineer for Burleigh County. I welcome the opportunity to provide input relevant to considerations of the future of the highway program. As attested by many of the preceding witnesses, federal financial assistance in the construction and maintenance of highways is very necessary, especially in a rural, sparsely populated state such as North Dakota.

In the past, North Dakota has been a recipient state in the area of highway trust funds. This is not as unjust as it may seem to a donor state. North Dakota has been and will continue to be a major supplier of raw materials to the rest of the nation. Traditionally, these supplies have been agriculturally related but energy related items are becoming more predominant. North Dakota supplies a large amount of coal, oil, natural gas and generated power to states in the upper midwest grouping.

North Dakota is recently becoming a doorway for the rest of the nation. Our space is being used to benefit the rest of the country. This practice takes the form of buried pipelines (Dome, Northern Tier, etc.) -high voltage power transmission lines (Garrison Dam, Mandan, etc.) and national defence installations, (Grand Forks Airbase, Minot Airbase, missile installations, etc.). All of these factors severely impact our roadways. Outside assistance is necessary to provide and maintain those roadways.

The Highway Trust Fund is one of the more successful federal programs because the users pay for the product they are using. This program must continue. Fuel conservation, vehicle efficiency, inflation, and subsidization of mass transit has combined to create a severe strain on the Highway Trust Fund. The Highway Trust Fund is in trouble. Relative size of the Trust Fund income has shrunk considerably. This is illustrated by considering that user taxes comprised approximately 30% of the cost of a gallon of gasoline in 1969 while user taxes comprise approximately 9% of today's gallon of gasoline cost. This disportionate contribution must be corrected. A logical remedy would seem to be creation of a percentage fuel tax that would automatically compensate for inflation. The health of the Highway Trust Fund must be preserved.

With the security of the Trust Fund assured, the next major problem concerns dollar efficiency. This is the major thrust of my statement.

Todays dollar is not purchasing the proper amount of finished highway. The main reason for this is the proliferation of red tape in the transportation construction industry.

Time consuming and costly red tape is strangling many valuable federal aid programs available to the counties as well as effecting many programs funded from local sources.

The problem is not only that of the immediate effect of some regulation created by some agency. It is multiplied by other agencies building upon that regulation and interjecting their interpretations and conditions upon some other agencies regulations.

A county federal aid project to replace a small crumbling unsafe bridge requires many of the same steps as a major interstate highway structure over a major river.

There must be a solicitation of views in consideration of comments of the Corps of Engineers, the Fish and Wildlife Service, the State Water Commission, the State Health Department, the National Park Service, the State Park Service, the State Planning Agency, the Water Management District, the State Historic Preservation Officer, the State Game and Fish Department, the Soil Conservation Service, possibly the U.S. Forest Service and as the instructions state any other person or agency that might be interested in or effected by the project. Most of the comments received are from the Corps of Engineers, the U.S. Fish and Wildlife Service and the State Historic Preservation Officer. The county engineer must consider and respond to any comments or questions received because the Federal Highway Administration requires a report from the State Highway Department as to the disposition of these comments.

Other satellite rounds of red tape begin in three principal areas. These are the permits required by the Corps of Engineers under Section 404, clearance of the project in the event of the acquisition of public lands (Section 4F of the Transportation Act) which according to Federal Highway interpretations includes the thousands of acres of wetlands easements within the state and cultural resource surveys required by the State Historic Preservation Officer in his interpretation of Federal Regulations.

If the Corps of Engineers, Section 404 permit is required as is the case in most bridge crossings today, the Corps of Engineers solicits comments from many of the same agencies already contacted. Comments are generally received from the U.S. Fish and Wildlife Service. The Corps requires that these be disposed of before they will issue the permit. The Corps must also publish a public hearing notice and notify adjacent landowners. This process may require two to four months.

The Federal Highway Administration General Counsel has ruled that the U.S. Fish and Wildlife wetlands easements in the state fall under the protection of section 4-f of the Transportation Act. Should a project result in the filling of a small fraction of an acre of wetlands, with any wetlands easement area tract, additional environmental assessments and eventual clearance from the Federal Highway Administration regional office are required. Presidental Order 11990 Preservation of Wetlands also results in extra effort and red tape. There is a strong feeling that wetland easements are not public lands and should not fall under the red tape requirements of section 4-f.

The State Historic Preservation Office request cultural resources surveys on a great number of projects, and the Corps of Engineers and the Federal Highway Administration many times make this a condition of approval of permits for funding. Charges of $400 dollars a day and at times $85 dollars per hour averages out in an exorbitant cost for surveys on small county structures. Such surveys might be practical and necessary on large projects such as extensive grading work however, on the smaller sites where only a fraction of an acre is disturbed, the cost of the taxpayer is unreasonable.

This type of red tape is associated with the preliminary or planning stages of a construction project. The problem continues into the actual construction phase. A myriad of regulations has resulted in factors such as Occupational Safety and Health Administration requirements, affirmative action programs, equal employment opportunity programs, trainee programs, CETA programs, Davis and Bacon Derived wage rates and minority business enterprises. Each and every one of these factors increase the cost of construction, because they substantually increase a contractor's cost of doing business.

An illuminating example of this cost distortion is evidenced by two recent projects involving minority business enterprise provisions. On an $82,000 project, the prime contractor had to sublet $8,300 of the work to an MBE. The prime contractor could have performed the subbed work himself for $3,000. The requirement to include an MBE increased contract cost by approximately 6.5%.

On another project costing $245,000, work costing $27,000 was given to an MBE. The prime contractor could have performed the work himself at a cost of $12,000. In this instance, the mandatory inclusion of an MBE increased contract cost by 6.1%. These figures do not include the more indirect costs such as scheduling delays and increased overhead.

The fact remains that while total construction dollars are becoming less and less, the amount of finished product these dollars buy is also getting less and less.

In summation I would like to reemphasize my several points. Continued federal assistance is neccessary to properly construct and maintain our sorely needed secondary road system. This assistance could take either the traditional form or could evolve into a block grant as long as the total monetary commitment is as large or larger than currently exists.

The Highway Trust Fund should continue as a separate entity exclusively for the benefit of the nations highways. If the Fund is financially strapped, a revenue generating adjustment in the form of a percentage based vehicle fuels tax would seem logical.

The efficiency of the spent highway dollar must be improved. This can be done by reducing the red tape created by overzealous application of the many and various philanthropic programs such as environmental statements, 404 permits, historical resource surveys, OSHA, CETA, EEO, affirmative action and minority business enterprises. While these programs have merit, they should be applied with consideration of ultimate cost.

Thank you for your consideration.

STATEMENT OF ALLAN R. BOYCE, ASSISTANT VICE PRESIDENT, PUBLIC AFFAIRS, BURLINGTON NORTHERN, INC., FARGO, N. DAK.

My name is Allan R. Boyce. I am the Assistant Vice President - Public Affairs for Burlington Northern, located at 176 East 5th Street, St. Paul, Minnesota 55101. I appreciate the opportunity to speak before this hearing regarding the impact on highways as a result of our branch line restructuring program.

Last week, Burlington Northern published the latest edition of its System Diagram of Lines Potentially Subject to Abandonment. Publication of this map is required by federal statute and gives everyone a chance to see how we think our rail system will evolve.

In a word, we see change coming. The rail system serving North Dakota was mostly built in the 19th and very early 20th centuries, literally before there was a highway system. As we consider today the needs for highway construction and maintenance we need to consider also how the rail and highway systems can best work together.

But this change is coming regardless of whether Burlington Northern or the people of North Dakota choose to modernize their transportation system. The first unit train grain shipment left Illinois in 1968. Subterminals have been operating for years in most agricultural states. In order for North Dakota to remain competitive in major markets, we must restructure the 19th century branch line system currently serving this state.

Burlington Northern's System Diagram shows 432 miles of North Dakota rail lines (out of the more than 3,400 miles of railroad we operate in this State) in Category I. These lines are colored red on the map. By placing these track segments in Category I, we are indicating our intention to request authority from the Interstate Commerce Commission to end service sometime before the end of 1983. Please note that while these lines represent about 13% of the mileage we operate in North Dakota, last year they generated only 8% of the grain originated by Burlington Northern in the State.

We are also required to show Category II lines, those which are under study and, therefore, have an uncertain future. These lines are colored green on the map and total 782 miles. We will be watching these lines closely in the future to determine if there is any potential for an adequate return on investment in the long term. As with all of our branch line studies, we welcome input from everyone concerned with the future of these lines.

So what impact does all of this have on North Dakota's highway system? I can see two types of impacts. Remember, we are talking about closing lines in a phased manner over a 2-1/2 year period which account for about 8% of our grain business. Statewide, this is hardly dramatic but the impact will be significant in local areas. Some grain which once moved over a certain set of roads to reach a certain elevator may now travel on a different route. It will be very important to plan the spending of highway dollars to reflect any changed movement patterns. We will work very closely with the North Dakota Highway Department to plan the timing of our line closings so as to mesh with highway improvement projects wherever possible.

But there is a second impact which will be much greater. The whole point of streamlining our branch line system and offering rate reductions for unit train shipments is to haul more grain by rail, not less. We expect that these programs will also improve car supply, giving us the ability to continue expanding our total grain carrying capacity.

Thus, the effect of our modernization program will be to reduce the amount of long haul grain moved by truck. However, some areas, particularly those near subterminals, will probably experience an increase in short haul truck traffic. Again, there is a need to carefully plan the use of highway funds to prepare for these changing traffic patterns. There may also be a need for greater flexibility in the use of federal highway funds so that states can assume a greater role in deciding where construction and maintenance work will be done. The old definitions of "primary" and "secondary" systems may be too rigid.

Again, I want to stress our willingness to work with shippers, communities and public officials to make the modernization of North Dakota's grain transportation system come about as smoothly as possible. Our interests are really the same as yours -- an efficient, high-capacity rail system that keeps North Dakota grain competitive.

HOUSE CHAMBER

Forty-seventh Legislative Assembly

STATE OF NORTH DAKOTA

BISMARCK 58505

Rep. Gordon Berg
District 15
Route 3
Devils Lake, ND 58301

Committees
Finance and Taxation
Natural Resources

June 22, 1981

The Honorable Quentin Burdick,
U. S. Senator,
451 Russell Office Building,
Washington, D. C. 20510.

TO BE SUBMITTED AS TESTIMONY
STATEWIDE TRANSPORTATION HEARING

Dear Senator Burdick:

Proposed railroad abandonment by Burlington Northern is going to create hardship to our towns, township and county government, and to our farmers and business people in our state. Our highways are not built to take the heavy freight that the rail abandonment will place on our state and county road system.

When Great Northern Railway was built and operated, this railroad was managed to serve people and to get the freight hauled; and they did a good job. Since Burlington Northern merged with Great Northern and Northern Pacific, they have let the branch lines go to pot.

These three railroads were given land by the government to build, maintain and improve our transportation system in our country and state. These railroads received over 40 million acres of land with mineral rights. There are proven resources of over 13 million barrels of oil and over 20 billion acre-feet of gas, plus all the coal.

Burlington Northern Railroad had a profit of over $350 Million last year. A good share of these dollars were from oil, gas and coal rights.

Burlington Northern now is asking to form a holding company. This should not happen, because they will take these oil, gas and coal profits from their railroad interest, to be invested into hotels or something else that is not in the best interests of our transportation system.

If the proposed branch line abandonment does go through and the holding company is approved, I am wondering if the railroads will give these oil, gas and coal rights back to the state that these leases are held in.

Senator, would you look into and draft legislation to stop the holding company from being formed; also that railroads must use the oil, gas and coal profits to maintain their railroad lines. This, I believe, was the intent of the land grant to the railroads in the first place. Let's keep it that way.

Thank you.

Sincerely,

Gordon Berg

Gordon Berg

GB:j

BISMARCK

City of Bismarck

P.O. BOX 1578 • BISMARCK, NORTH DAKOTA 58502 • TELEPHONE 701/222-6471

June 17, 1981

Senate Transportation Subcommittee of
the Senate Environment & Public Works
Committee

Attention: Senator Quentin Burdick

RE: HIGHWAY FIELD HEARING - JULY 1, 1981 - 1:30 P.M. - FARGO HOLIDAY INN
FARGO, NORTH DAKOTA

The 13 major urban areas of North Dakota (cities with a population of over 5,000) have unique transportation problems because of higher concentrations of population and economic activity which generates a substantial demand for the movement of persons and goods. As population and economic growth continue, an increased demand is placed on the urban transportation network. Therefore, the transportation problems in the urban area must be dealt with if an orderly growth pattern is to develop.

In the past the North Dakota State Highway Department, as a result of the 1978 Surface Transportation Assistance Act, has been given the responsibility of administering highway funds in the urban areas. Each year our city submits a prioritized list of transportation improvements to the North Dakota State Highway Department which then matches the statewide projects to the availability of federal funds. As a result of this process and the excellent working relationship we maintain with the North Dakota State Highway Department, the city of Bismarck has received over $8.5 million in federal funds in the past 10 years. This testifies to the fact the present program is working very effectively with a minimum amount of red tape. Therefore we would strongly support any legislation which would continue the flow of funds through the Federal Highway Administration and the North Dakota State Highway Department.

The transportation needs of our urban areas have become more acute with the migration of our population from rural areas to the 13 major cities. Statistically North Dakota cities over 5,000 population now comprise 43.4 percent of the state's entire population. This has increased from 39.3 percent in just the past 10 years. The trend appears to be headed even higher in the next 20 years as certain elements of our population seek those types of services which can only be offered in our major cities.

Bismarck's growth is additionally being impacted by energy development in the western part of the state. It now appears most certain that the American Natural Gas plant at Beulah will begin construction this summer. This plant alone will employ 3,000 workers, many of whom will be commuting from the Bismarck-Mandan area. There are 6 other energy development projects that will be built as soon as modifications are made in the air quality guidelines. Because of energy and related secondary impacts to the area, Bismarck's population is expected to more than double in the next twenty years.

A comprehensive transportation plan has just recently been completed for the Bismarck-Mandan Metropolitan Area. In that report the consultant lists all of the present as well as future needs for our city. While it is true that a number of these projects can be financed locally, it is also very evident that major improvements to our arterial system are beyond our limited financial resources. For example, as a result of increased vehicular and train traffic (primarily unit coal trains) there is an urgent demand for a new railroad separation in west Bismarck. The cost of this underpass could vary from $3 to $4 million and at the present time there is no possible way that the city could fund this project without federal and state assistance.

It should also be pointed out that the small size of our urban population centers make public transportation uneconomical, unattractive, and therefore nonexistant. Heavy reliance on the automobile and truck in the cities requires an adequately financed arterial street construction program to meet these needs.

In regard to future legislation I want to state that our city is strongly opposed to any proposal which would eliminate or reduce the present level of funding for the urban system. Since the urban program was first established in 1973, it has established itself as being one of the most effective and successful pieces of federal legislation ever enacted for the benefit of the urban cities. To switch to a different source of funding at this time would appear to be illogical and short sighted.

A rural state such as North Dakota must construct and maintain considerable miles of roads and streets to provide access to all areas of the state. While a two lane road or street in most instances will provide ample capacity, the sheer number of miles required to be constructed and maintained relative to the population density of the state makes it impossible to provide adequate local funding to provide for road and street needs in the state. Therefore, it is most important that federal funds continue to flow to the rural states.

In conclusion the city of Bismarck strongly supports any transportation bill which would continue funding the urban program in amounts similar to what we have received in the past. Conversely, we would strenuously object to any attempts which would in any way reduce or eliminate the federal aid urban system.

Sincerely,

Bus Leary

Bus Leary
Mayor

krh

TESTIMONY OF
RICHARD C. GRAYSON, PRESIDENT & CHIEF EXECUTIVE OFFICER
BURLINGTON NORTHERN RAILROAD COMPANY

I wish to express my sincere appreciation for the opportunity to to testify with respect to S. 841 and S. 1024, the authorization bills for the Federal Aid Highway Program.

My comments will be limited primarily to matters associated with Highway-Railway safety programs.

WHO'S RESPONSIBLE FOR HIGHWAY-RAIL GRADE CROSSING SAFETY?

In the early days of highway travel, when traffic was sparse and slow-moving, it fell to the railroads to install and maintain signal warning devices. But, as highway travel increased in volume and speed, the inadequacies of this approach became more and more evident. As Justice Brandeis noted as far back as 1935, "The railroad has ceased to be the prime instrument of danger and the main cause of accidents. It is the railroad which now requires protection from dangers incident to motor transportation."

The railroads were all too frequently required to use private capital for purposes that primarily benefited others. Grade crossing improvements were but one example of situations in which the railroads were often called upon to correct conditions that had developed through no fault of the railroad and over which the railroad had little or no control.

WITH RESPECT TO RESPONSIBILITY FOR GRADE CROSSING IMPROVEMENTS, THE INTERSTATE COMMERCE COMMISSION FOUND IN THEIR DOCKET NO. 33440 REPORT OF FEBRUARY 10, 1964:

> "... THAT HIGHWAY USERS ARE THE PRINCIPAL RECIPIENTS OF THE BENEFITS FLOWING FROM RAIL-HIGHWAY GRADE SEPARATIONS AND FROM SPECIAL PROTECTION AT RAIL-HIGHWAY GRADE CROSSINGS. FOR THIS REASON, THE COST OF INSTALLING AND MAINTAINING SUCH SEPARATIONS AND PROTECTIVE DEVICES IS A PUBLIC RESPONSIBILITY AND SHOULD BE FINANCED WITH PUBLIC FUNDS, THE SAME AS HIGHWAY TRAFFIC DEVICES."

THIS IS NOT TO SAY THAT RAILROADS ARE TOTALLY ABSOLVED FROM RESPONSIBILITY FOR SAFEGUARDING GRADE CROSSINGS. BUT IT DOES RECOGNIZE THAT THE MOVEMENT AND CONTROL OF VEHICULAR TRAFFIC IS PRIMARILY A HIGHWAY RESPONSIBILITY. IT HAS LONG BEEN RECOGNIZED THAT MOTOR VEHICLES MUST YIELD TO TRAINS AT CROSSINGS. THE PROBLEM ARISES IN MAKING MOTORISTS AWARE OF THE DANGER AHEAD IN ORDER THAT THEY MAY HAVE SUFFICIENT TIME TO STOP TO AVOID COLLISIONS.

THE HIGHWAY USERS ARE THE PRINCIPAL RECIPIENTS OF THE BENEFITS FLOWING FROM HIGHWAY-RAIL GRADE SEPARATIONS AND FROM GRADE CROSSING SIGNAL WARNING DEVICES AT GRADE CROSSINGS. FOR THIS

REASON, THE COST OF INSTALLING SEPARATIONS AND WARNING DEVICES IS A PUBLIC RESPONSIBILITY AND SHOULD BE FINANCED WITH PUBLIC FUNDS, THE SAME AS HIGHWAY TRAFFIC DEVICES.

RAILROADS HAVE NO CONTROL OVER THE CONSTRUCTION OR MAINTENANCE OF THE HIGHWAY ITSELF - AN ESSENTIAL INGREDIENT OF A SAFE CROSSING. NOR ARE THEY INVOLVED IN THE LICENSING AND TRAINING OF DRIVERS. CONSEQUENTLY, LOGIC AND COMMON SENSE DICTATE THAT THE RESPONSIBILITY FOR CROSSING IMPROVEMENTS SHOULD BE IN THE PUBLIC, ACTING THROUGH STATE AND LOCAL HIGHWAY AND TRANSPORTATION DEPARTMENTS.

THE CONGRESS RECOGNIZED AND ADOPTED THIS PRINCIPLE IN ITS PASSAGE OF IMPORTANT SAFETY LEGISLATION IN 1973, 1976, AND AGAIN IN 1978, WHICH SPECIFICALLY ESTABLISHED AND SEPARATELY FUNDED THE HIGHWAY GRADE CROSSING PROGRAM. BUT THE BILLS NOW BEFORE THE COMMITTEE, S. 841 AND S. 1024, PROPOSE TO ELIMINATE OR SEVERELY REDUCE THAT PROGRAM. THEY PROPOSE TO DO SO IN SPITE OF THE FACT THAT THE PROGRAM HAS ONLY NOW REACHED THE LEVEL OF ACTIVITY CALLED FOR BY THE DEPARTMENT OF TRANSPORTATION'S OWN PROGRAM; AND IN SPITE OF THE FACT THAT THE PROGRAM HAS PROVEN TO BE MARKEDLY SUCCESSFUL IN REDUCING THE DEATH TOLL AT HIGHWAY-RAIL CROSSINGS.

The Department of Transportation has recommended that a 10-year program be initiated to improve safety installations at a total of 30,000 highway-rail grade crossings, where there are high hazard exposures or where accident rates had been the highest.

Compiling inventories of hazards without programs and monies to correct them would be an empty and frustrating exercise. Happily, in the realm of grade crossings, this has not been the case. The Federal commitment to grade crossing safety began with the passage of the Highway Safety act of 1973. Not only did the act provide that the States shall identify those railroad crossings which require separations or active type warning signals, but authorized funds for the purpose of implementing this program.

The amount of money was not huge, considering the magnitude of the overall job to be done and the fact that the money must be spread over the entire country. But it represents landmark changes in Federal policy by recognizing more emphatically than ever that crossing safety is a public responsibility and that Federal money should be made available to help local communities solve crossing safety problems. Federal money has been authorized and specifically earmarked for financing crossing safety projects on all public streets and roads - not just those on the Federal-Aid System.

After a slow start up, the program is only now achieving the necesssary level of 3,000 improvements per year and must operate at that level for at least another 5 years if the DOT program is to be achieved.

As to the success of the program, I refer you to Figure 1 which is attached to my statement. It tells the story in dramatic terms. Between 1974 and 1980, the exposure at grade crossings -- which is a function of the frequency of train and motor vehicle movements -- increased 8%. In that same period, the crossing fatalities decreased 38%. The absolute number of fatalities decreased from 1,128 in 1974 to 704 in 1980.

Given the success of the program and the amount of work yet to be done, I frankly find it difficult to understand the Administration's approach in S. 841, which is to eliminate the program! S. 1024 does not go quite so far, but it would combine in one category the crossing program with other safety programs and provide over a 5-year period a total of only $350 million for programs that are currently funded at an annual level of $400 million.

The railroad industry would strongly urge you to continue the rail-highway grade crossing improvement program category at [illegible] level of $200 million per year. The highway construction index

HAS INCREASED TO 163.0 IN 1980 FROM 100 IN 1977. TO MAINTAIN THE SAME LEVEL OF ACTIVITY, BASED ON THIS INFLATION INDEX, WOULD REQUIRE AN AUTHORIZATION OF $309 MILLION. GIVEN THE WORK TO BE DONE AND THE DEMONSTRABLE PAYOFF IN TERMS OF HUMAN LIFE, A CONTINUATION OF THE PROGRAM AT THE $200 MILLION LEVEL IS THE MINIMUM COMMITMENT REQUIRED. I RECOGNIZE THAT MANY STATES OBJECT TO THE CONTINUED CATEGORIZATION OF HIGHWAY SAFETY FUNDS; BUT I BELIEVE THE FACTS WILL SHOW THAT, WITHOUT CATEGORIZATION, AN EFFECTIVE CROSSING PROGRAM WOULD NOT HAVE BEEN MOUNTED AND, IN ALL LIKELIHOOD, WOULD NOT BE CONTINUED. MOREOVER, THE STATES DO HAVE SOME FLEXIBILITY. UNDER THE EXISTING PROGRAM, UP TO 40% OF THE CATEGORIZED FUNDS HAVE BEEN ELIGIBLE FOR TRANSFER TO OTHER PROGRAMS IF A STATE HAS COMPLETED ITS IMPROVEMENTS OR CONSIDERS OTHER MATTERS TO BE OF HIGHER PRIORITY. IN THE LAST YEAR, SEVEN STATES EXERCISED THEIR OPTION TO TRANSFER FUNDS.

MUCH OF THE SUCCESS OF THE PROGRAM TO DATE STEMS FROM THE FACT THAT IT IS, IN FACT, A NATIONAL "PROGRAM". THERE IS A PLAN, THERE IS A PROCESS, AND THERE ARE FUNDS SPECIFICALLY ALLOCATED TO A PURPOSE. IF THE PROGRAM IS ELIMINATED AS PROPOSED IN S. 841, OR REDUCED TO CARETAKER STATUS AS PROPOSED IN S. 1024, IT WILL BE A SAD DAY FOR HIGHWAY SAFETY.

PAST EXPERIENCE DEMONSTRATES THAT A STATE-BY-STATE, COUNTY-BY-COUNTY, CITY-BY-CITY APPROACH TO THE GRADE CROSSING PROBLEM

DOES NOT WORK. TOO MANY INTERESTED GROUPS ARE INVOLVED ALONG WITH THE HIGHWAYS OF VARIOUS CLASSIFICATIONS. LOCAL ROADS, CITY STREETS, STATE HIGHWAYS AND FEDERAL AID HIGHWAYS, EACH WITH DIFFERENT CRITERIA, CAN CROSS A SINGLE RAILWAY LINE IN ANY GIVEN METROPOLITAN AREA. ALLOWING THE GRADE CROSSING SAFETY IMPROVEMENT EFFORT TO BE DISPERSED AMONG THE STATES AND LOCAL GOVERNMENTS WOULD CREATE THOUSANDS OF DIFFERENT PROGRAMS, (OR NON-PROGRAMS), AS OCCURRED IN THE PAST, AND MAKE IT ABSOLUTELY IMPOSSIBLE TO PULL TOGETHER A NATIONAL PROGRAM IN WHICH THE RAILROAD INDUSTRY CAN EFFECTIVELY PARTICIPATE.

REACHING THE PRESENT LEVEL OF ACTIVITY HAS NOT BEEN EASY. THE ATTACHED OBLIGATION TABLE (SEE FIGURE 2) GRAPHICALLY ILLUSTRATES THE TIME IT TOOK TO REACH A SATISFACTORY LEVEL OF EFFORT. THE MANY GROUPS INVOLVED HAD TO "GEAR-UP" FOR SUCH A MASSIVE EFFORT, AND, AS THE TABLE INDICATES, A SATISFACTORY OBLIGATION RATE WAS NOT ACHIEVED UNTIL SEVERAL YEARS AFTER THE INITIATION OF THE PROGRAM IN 1973. THESE VARIOUS GROUPS ALSO HAD TO BE ASSURED THAT THIS WOULD BE A CONTINUING PROGRAM. THIS ASSURANCE CAME IN 1976. IT SHOULD NOT BE WITHDRAWN 5 YEARS SHORT OF THE TARGET.

THE RAILROADS ARE VITALLY CONCERNED WITH GRADE CROSSING SAFETY AND, WHERE THEY HAVE OBLIGATIONS TO MAKE IMPROVEMENTS, THOSE

IMPROVEMENTS ARE MADE. BUT I MUST REPEAT A POINT MADE AT THE OUTSET, MOST GRADE CROSSING IMPROVEMENTS ARE NOT AN OBLIGATION THE RAILROADS COULD OR SHOULD ASSUME. THAT IS NOT TO SUGGEST THAT THE RAILROADS DO NOT PROVIDE FINANCIAL ASSISTANCE UNDER THE CURRENT PROGRAM. ALL OF THE INITIAL CAPITAL COSTS ARE MET BY THE RAILROADS WITH REIMBURSEMENT BEING DELAYED ANYWHERE FROM 6 MONTHS TO 3 YEARS. WITH AN ANNUAL PROGRAM OF $190 MILLION AND INTEREST RATES AT 20%, THE RAILROADS ARE MAKING A SUBSTANTIAL CONTRIBUTION IN FINANCING COSTS ALONE.

BEYOND THE CAPITAL COSTS, HOWEVER, THE RAILROADS ASSUME MOST OF THE MAINTENANCE RESPONSIBILITY FOR THE DEVICES -- A FIGURE NOW RUNNING IN EXCESS OF $100 MILLION PER YEAR.

IN CONJUNCTION WITH THE GRADE CROSSING IMPROVEMENT PROGRAM, THE INDUSTRY FUNDS, THROUGH THE AAR, AMTRAK AND INDIVIDUAL RAILROADS, THE OPERATION LIFESAVER PROGRAM ADMINISTERED BY THE NATIONAL SAFETY COUNCIL. THIS PROGRAM CREATES DRIVER AWARENESS, ENCOURAGES ACTIVE ENFORCEMENT OF GRADE CROSSING SAFETY LAWS, AND COORDINATES EFFORTS AT THE STATE AND LOCAL LEVEL FOR THE PURPOSE OF IMPROVING GRADE CROSSING SAFETY. OPERATION LIFESAVER ENHANCES AND COMPOUNDS THE BENEFITS OF THE ENGINEERING SAFETY IMPROVEMENTS MADE POSSIBLE THROUGH THE 1973, 1976 AND 1978 HIGHWAY ACTS. PRESENTLY STAFFED WITH A FULL TIME COOODINATOR, THE PROGRAM IS NOW ACTIVE IN 29 STATES. THE GRADE CROSSING IMPROVEMENT PROGRAM AND RELATED PROGRAMS SUCH AS THIS HAVE PAID OFF. THEY SHOULD NOT BE LEFT TO FOUNDER IN MIDSTREAM.

A GOOD EXAMPLE OF HOW FEDERAL MONEY IS BEING USED FOR LOW COST SOLUTIONS TO LOCAL HIGHWAY-RAILWAY CONFLICTS IS NOW IN PROGRESS IN THE STATES OF NORTH DAKOTA AND MINNESOTA.

SINCE DECEMBER, 1978, MN/DOT AND THE NORTH DAKOTA HIGHWAY DEPARTMENT HAVE BEEN CONDUCTING A STUDY OF RAILROAD OPERATIONS ALONG AN APPROXIMATELY 728-MILE BURLINGTON NORTHERN RAIL CORRIDOR, A MAJOR FREIGHT LINE AND THE PRIMARY COAL ROUTE FOR BOTH STATES. CALLED "ALTERNATIVE SOLUTIONS TO RAILROAD IMPACTS ON COMMUNITIES," THE STUDY FOCUSES ON DEVELOPING LOW-COST SOLUTIONS TO SUCH PROBLEMS AS EMERGENCY VEHICLE DELAYS; VEHICLE AND PEDESTRIAN SAFETY; ACCESS PROBLEMS IN TRAVELING TO WORK, SCHOOL, BUSINESS AND SHOPPING; AND COMMUNITY DEVELOPMENT CONSTRAINTS. TO ACCOMPLISH THIS, WE DIVIDED THE STUDY INTO THREE PHASES.

PHASE I WAS BASED ON AN EXTENSIVE DATA COLLECTION PROGRAM THAT USED SEVERAL DATA COLLECTION METHODS -- A SURVEY, INTERVIEWS, PUBLIC MEETINGS, AND FIELD OBSERVATIONS.

SIGNIFICANTLY, THE CASE STUDIES REVEALED THAT RAIL/COMMUNITY CONFLICTS ARE NOT SOLELY RELATED TO THE NUMBER OF TRAINS OPERATING IN A COMMUNITY, BUT THE TYPES OF TRAINS, TYPES OF OPERATIONS, TRAIN SPEEDS AND COMMUNITY DEVELOPMENT PATTERNS ALL CONTRIBUTE TO THE SEVERITY OF THE CONFLICTS.

IN PHASE II, THE IDENTIFICATION AND EVALUATION OF LOW-COST ALTERNATIVES, STARTED IN PHASE I, WAS COMPLETED. THE PROJECTS WERE PUT THROUGH A SCREENING PROCESS IN WHICH THEY WERE EVALUATED FOR RELATIVE PROBLEM SOLVING EFFECTIVENESS, IMPLEMENTATION COST, INSTITUTIONAL CONSIDERATIONS AND EFFECTS ON OTHER COMMUNITY OR RAILROAD PROBLEMS AND OPERATIONS. THEN THEY WERE PRESENTED TO THE CASE STUDY COMMUNITIES FOR PRIORITY RANKING AS TO ACCEPTABILITY.

ALTOGETHER, TWENTY PROJECTS WERE SELECTED FOR IMPLEMENTATION. TOTAL COST FOR THE PROJECTS WAS ABOUT $3.2 MILLION DOLLARS AND THE AVERAGE COST FOR EACH PROJECT WAS ABOUT $160,000, WHILE HALF OF THE PROJECTS COST LESS THAN $60,000. AT FIRST INSPECTION, THIS MIGHT SEEM LIKE ANYTHING BUT LOW-COST. BUT, CONSIDERING THAT A GRADE SEPARATION COSTS UPWARDS OF $2 MILLION TO CONSTRUCT AND A RAIL RELOCATION RANGES FROM $3 MILLION TO $114 MILLION, THESE PROJECTS COSTS ARE LOW INDEED!

FUNDING FOR THE PROJECTS CAME FROM FEDERAL AND STATE PROGRAMS, THE LOCAL COMMUNITIES AND THE BURLINGTON NORTHERN. FOR GRADE CROSSING PROJECTS, 90% FUNDING CAME FROM FEDERAL PROGRAMS, 5% FROM STATE, 2.5% FROM LOCAL COMMUNITIES AND 2.5% FROM BURLINGTON NORTHERN.

PHASE III, IMPLEMENTATION AND EVALUATION OF THE STUDY, IS SCHEDULED FOR COMPLETION IN AUGUST, 1981.

WE ARE AWARE THAT THESE PROJECTS WILL NOT SOLVE ALL THE HIGHWAY-RAIL CONFLICTS IN THIS CORRIDOR, BUT PRELIMINARY ANALYSIS INDICATES THAT SOME PROBLEMS MAY BE ELIMINATED ENTIRELY AND OTHERS REDUCED SIGNIFICANTLY.

THE MAIN POINT I WANT TO STRESS IS THAT THIS LOW-COST PROJECT COULD NOT HAVE EXISTED WITHOUT THE ASSISTANCE OF FEDERAL AID FUNDING. AS STATED PREVIOUSLY, GRADE CROSSING PROGRAMS SUCH AS THIS HAVE PAID OFF. THEY SHOULD NOT BE LEFT TO FOUNDER IN MIDSTREAM.

WHILE THE GRADE CROSSING PROBLEM IS OF PRINCIPAL CONCERN TO THE RAILROADS, I WOULD LIKE TO MENTION TWO OTHER HIGHWAY PROGRAMS IN WHICH THE RAILROADS HAVE AN INTEREST.

BRIDGES

As you know, there is a serious highway bridge problem in this country. Recognizing this problem, Congress created the Special Bridge Replacement Program in the 1978 legislation. This program is designed to assist in the replacement of bridges which are structurally deficient or functionally obsolete.

Under present law, highway bridges over railroads are deemed eligible for rehabilitation or replacement but railroad bridges over highways, which were originally installed to serve the same traffic flow and safety functions, are not eligible. Whether the highway is over or under the railroad is primarily a function of the topography at the particular site. Many of these bridges were built by the railroad at the request of the States some years ago, but now create highway hazards because they are too narrow or the overhead clearances are too low for today's automobile and truck traffic. In some cases, four-lane highways are reduced to two lanes in order to pass under these bridges and are then expanded again to four lanes.

Replacement or rehabilitation of these railroad bridges over highways is of little or no benefit to the railroad, but would be of great benefit to highway users. Their replacement or

REHABILITATION SHOULD BE EQUALLY ELIGIBLE FOR FUNDING. ACCORDINGLY, WE URGE THAT THE LEGISLATION NOW UNDER CONSIDERATION BE AMENDED TO PROVIDE THAT RAILWAY BRIDGES OVER HIGHWAYS BE ELIGIBLE FOR THE SPECIAL BRIDGE REPLACEMENT PROGRAM AS ARE HIGHWAY BRIDGES OVER RAILROADS.

RAILROAD RELOCATION

URBAN GROWTH PRESENTS ANOTHER SITUATION IN WHICH THE RAILROAD SYSTEM HAS BEEN OVERTAKEN BY EVENTS AND, AS A CONSEQUENCE, HAZARDS OR OTHER UNDESIRABLE EFFECTS HAVE BEEN CREATED FOR WHICH THE RAILROADS ARE NOT RESPONSIBLE.

SECTION 163 OF THE 1973 HIGHWAY ACT AUTHORIZED DEMONSTRATION PROJECTS TO TEST THE EFFECTIVENESS OF THE SYSTEMS APPROACH TO SOLVING THIS PROBLEM AND DIRECTED THE SECRETARY OF TRANSPORTATION TO REPORT THE RESULTS OF THE NATIONAL RAILROAD RELOCATION AND CONSOLIDATION STUDY TO CONGRESS BY JULY 1, 1975. WE ASSISTED THE DEPARTMENT OF TRANSPORTATION IN THE DEVELOPMENT OF THE DATA FOR THAT STUDY.

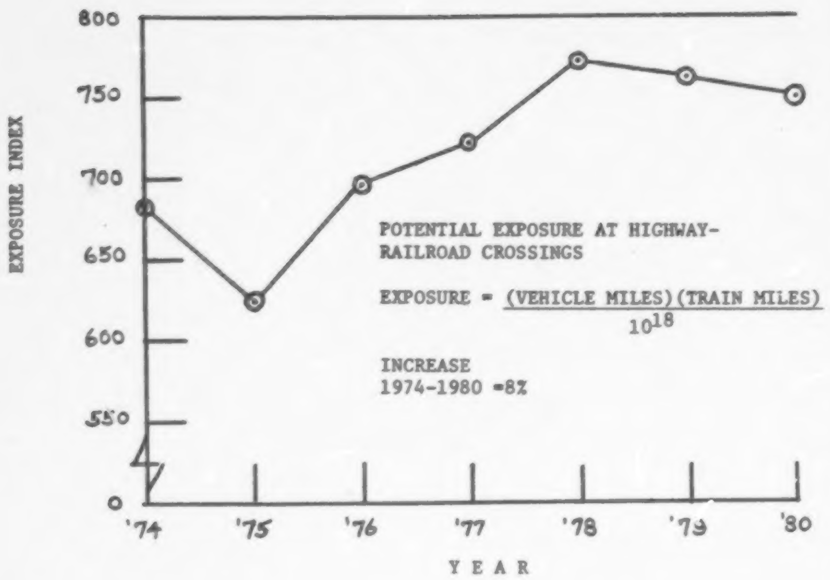
THE STUDY IDENTIFIED 184 CITIES WHICH ARE PLANNING OR PROPOSING RAILROAD RELOCATION PROJECTS. WHILE THESE PROJECTS SOMETIMES CONTRIBUTE TO THE EFFICIENCY OF RAILROAD OPERATIONS, NEARLY ALL

OF THE BENEFITS RESULTING FROM RELOCATION ACCRUE TO THE COMMUNITY IN THE FORM OF REDUCED CONGESTION, ENERGY CONSERVATION, IMPROVED DEVELOPMENT POTENTIAL, AND ECOLOGICAL AND AESTHETIC IMPROVEMENTS. THE CITIES HAVE BEEN QUITE VOCAL IN THEIR EXPRESSIONS TO THE STATES, THE RAILROADS AND THE CONGRESS CONCERNING THEIR NEED FOR THESE IMPROVEMENTS.

THE BILLS BEFORE THE COMMITTEE WOULD DISCONTINUE FUNDING SECTION 163 PROJECTS. WHILE THE RAILROADS ARE NOT THE BENEFICIARIES OF THE PROGRAM, WE DO SUPPORT ITS CONTINUATION.

THIS CONCLUDES MY PREPARED TESTIMONY, AND I WISH TO EXPRESS MY APPRECIATION FOR ALLOWING THE BURLINGTON NORTHERN TO TESTIFY WITH RESPECT TO S. 841 AND S. 1024, THE AUTHORIZATION BILLS FOR THE FEDERAL AID HIGHWAY PROGRAM.

FIGURE 1



DATA FROM THE FEDERAL RAILWAY ADMINISTRATION

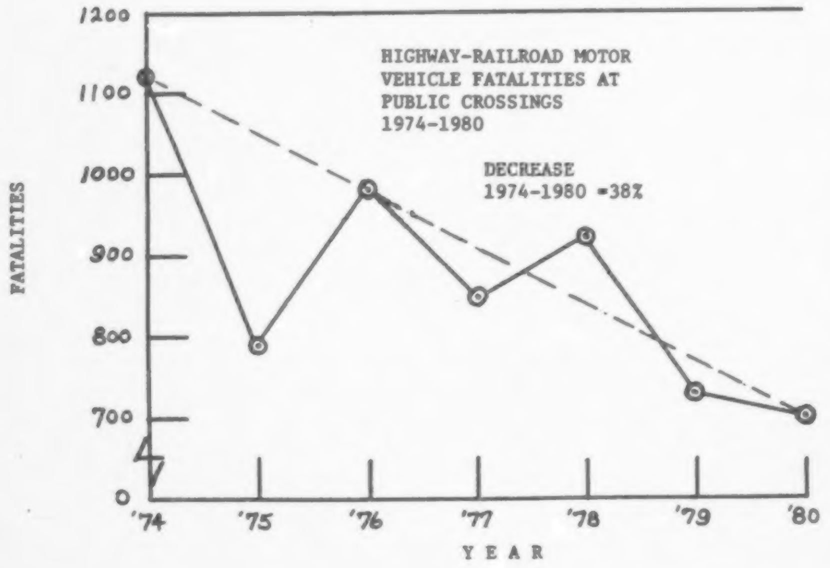


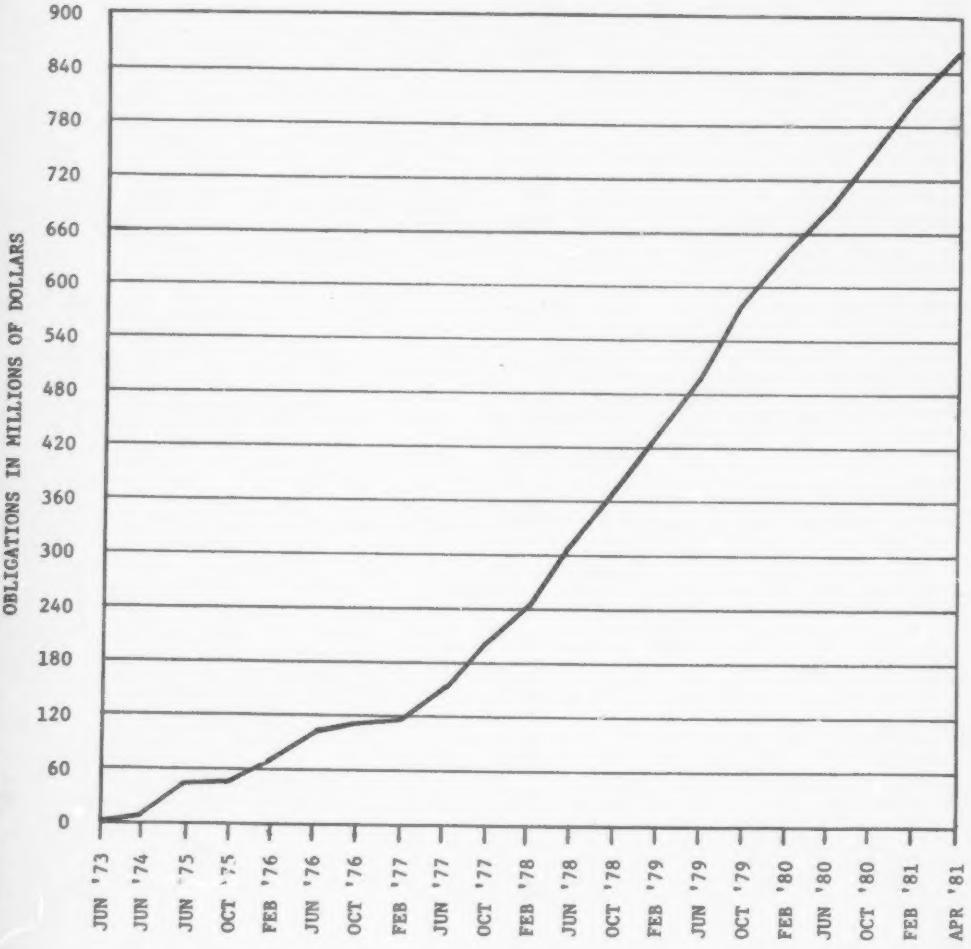
FIGURE 2

FEDERAL HIGHWAY ADMINISTRATION

OBLIGATIONS UNDER THE SECTION 203

HIGHWAY-RAIL PROGRAM, ON SYSTEM

AND OFF SYSTEM



CITY OF DEVILS LAKE
Devils Lake, North Dakota

DR. J.H. MAHONEY, President
City Commission

June 30, 1981

Robert T. Stafford, Chairman
Committee on Environment and Public Works
Washington, D.C. 20510

RE: TRANSPORTATION ISSUES

Devils Lake, North Dakota is a community of approximately 8000. We are the county seat of Ramsey County which is primarily agriculturally based. In addition to being the county seat, we are the regional hub for transportation with key air, rail, and highway facilities located here.

We are extremely dependent on a comprehensive transportation system because of the distances between Devils Lake and the marketing and manufacturing centers. This dependence makes it essential for the transportation system to remain comprehensive.

The recent rail abandonment proposals would, if completed, destroy the comprehensive nature of our system. Without the rail feeder lines in operation, a tremendous amount of pressure will be put upon our highway system. As you well know, a highway system can only handle so much heavy truck traffic before the road surface begins to deteriorate. This problem compounded with the proposed reductions in federal aid for highway maintenance and construction present many problems, particularily for this area.

We are very concerned about the proposed highway spending cutbacks and the impact these cutbacks will have on our economy. Again, with our farm based economy, sound transportation facilities are crucial to a continually thriving rural America and reasonable food prices.

Sincerely,

J. H. Mahoney

J. H. Mahoney, President
Devils Lake City Commission

JHM/pr

CITY OF DICKINSON
P.O. BOX 1037
DICKINSON, NORTH DAKOTA 58601
PHONE (701) 225-6765

July 1, 1981

A. E. BAUMGARTNER, PRESIDENT
COMMISSIONERS
TERRY ASKIN LAVERN JESSEN
ERNEST BAILEY ROBERT BAIRD

Subcommittee on Transportation
Committee of Environment and Public Works
United States Senate
Washington, D.C.

Honorable Members:

The Federal-aid Highway Program and the Federal Energy Policy are interdependent in western North Dakota. In order to develop the oil, natural gas and coal of this region, a transportation network is required that is very different from that needed by an agriculturally based economy.

Local jurisdictions do not have the resources to meet the needs of energy exploration and production industries. Impacted municipalities, faced with extending basic services, do not have the capabilities to construct or reconstruct the urban system needed to separate heavy equipment and hazardous materials from residential and school zones.

The urban systems program has been one of the very few federal aids to energy-impacted rural cities. Any reduction of the program or changes in the matching funds formula will place even a greater burden on these impacted cities.

We recognize the need to develop the natural resources of the West for the entire nation. We only ask that the nation recognize that very very few programs are available to us to carry out the Federal Energy Policy. The Federal-aid Highway Program is one of those very few.

Respectfully,

A. E. Baumgartner

A.E. Baumgartner, Chairman
Board of City Commissioners
Dickinson, North Dakota

sms

Fargo
Chamber Of
Commerce

June 30, 1981

The Fargo Chamber of Commerce supports continued federal funding of primary and secondary roads and bridges within the state of North Dakota; these roads and bridges being primary arteries for North Dakota commerce.

The Chamber of Commerce also supports continued federal funding for street and bridge improvements within the city of Fargo through the Federal Aid Highway Program.

Peter F. Haug, President
Fargo Chamber of Commerce

P.O. Box 2443   321 North 4th Street   Fargo, North Dakota 58108   (701) 237-5678

CITY OF GRAFTON
Grafton, North Dakota 58237

WARNER K. TAYLOR
Mayor

W. T. DePUY
City Attorney

EARL F. MACHART
City Auditor Treasurer

June 17, 1981

North Dakota League of Cities
Box 2235
Bismarck, North Dakota 58501

RE: Transportation Sub-Committee of
Senate on Public Works

Dear President Gibb:

We understand that you will represent the League of Cities relative to the above caption and in this connection, may I say that Grafton is interested in Item 4 - The Bridge Program and Item 5 that addresses itself to the Federal role in the Secondary and Urban Programs.

We realize that the President has called for an austerity approach to federal spending and we also agree that the Presidential mandate in that funds for highway and bridges on off federal roads should be channeled through the State Highway Department.

Farm-to-market roads originally funded by federal funds have deteriorated rapidly as have the bridges on this system, and we feel that funding for such repair work should be channeled through the State Highway Department. These are the type of fundings that are best related to small towns and cities.

Very sincerely yours,

Warner
Warner K. Taylor
Mayor

WKT:caj

cc: Mr. Gib Bromenschenkel
Fargo, North Dakota

Dear Arnie:
Will see you in Fargo on July 1st.

STATEMENT OF FRANK ORTHMEYER, DIRECTOR OF PUBLIC WORKS, GRAND FORKS, N. DAK.

My name is Frank Orthmeyer and I am City Engineer and Director of Public Works for the City of Grand Forks, North Dakota. I have been authorized by the City to testify at today's hearing and express the City's concerns on the proposed legislative changes in the Federal Aid Highway Program.

The City of Grand Forks is a growing metropolitan area of 44,000 people located in the heart of the Red River Valley in North Dakota. It is served by an adequate transportation network with U. S. Highway 2 running east and west and Interstate 29 running north and south. As well as having these major U. S. Highways passing through it, the City has developed an excellent system of urban streets to augment the U. S. transportation system. In 1978, the State and Federal Government approved a Five-Year Urban Program containing 6.9 million dollars worth of projects designated to improve the City's street system. This commitment of Federal dollars has been valuable to the City of Grand Forks in constructing and maintaining its Arterial and Collector streets. The elimination of both the urban and secondary road program as proposed in the Reagan Administration bills could have some ominous financial as well as road maintenance implications for Grand Forks and other cities.

The City of Grand Forks is above all else dependent upon it's agricultural community for economic stability. The Red River Valley is capable of producing bumper crops, and these crops must get from the farms to the cities for shipment and to the processing centers. This is done through a network of County Roads (the Secondary Road System) and the City's Streets (Urban System). As rail abandonment occurs, the farm-to-market network of roads will increasingly be used by truckers to move farm goods to market. Grand Forks has 140 miles of streets, of which: 8 miles are in need of major repairs (reconstruction); 22 miles in need of minor repairs (maintenance).

In Grand Forks there are 42 miles of roads on the Urban System. This includes both minor, arterial and collector streets. Financing the total costs of these streets with property taxes would be very difficult for already hard-pressed tax payers. The task is further compounded by escalating construction and maintenance costs. For example, the cost of pavement for a 50' lot was $1020 in 1970, and the cost for the same construction is $2500 in 1980. Maintenance money is hard to come by locally and easy to postpone so that City administrators are faced with back logging - snow balling effect on budgets. Instead of routine maintenance, we are faced with pot holes and total reconstruction, unless maintenance is done in an orderly manner. We need Federal aid to assist us.

The City of Grand Forks is satisfied with the present Federal/State/Local relationship, as it exists in the current legislation and would encourage Congress to enact a Transportation Bill similar to that passed in 1978.

If changes are necessary, and I add emphasis to if, the rumored Block Grant Program as envisioned by the Reagan Administration comes to pass, it is the City's recommendation that a fixed block grant be passed directly through to urbanized cities for street construction. The funds would come directly to the urbanized cities from the federal government and would be spent on those projects determined by the cities as having the highest priority. Input from both the State and Federal governments would come during the planning stages under an approved "Urban Construction Program". Gone under this proposal would be the red tape and politics that may be present. It is important that the allocation formula for the pass-through funds be set in the new transportation bill passed by Congress. Failure to set the formula for the allocation of block grant monies will put many urbanized cities in the rural areas at a severe disadvantage if the formula is determined by rural dominated legislatures. Whatever formula is used for the allocation of these block grant monies, it is important that it is fair to all units of government. The regulations which govern them should be those established by the Federal Highway Administration for Urbanized Areas. Larger cities, including cities our size, have the administrative machinery necessary to prepare the applications, urbanized construction plans, the necessary planning work programs, traffic engineering, citizen input, Civil Rights Assurances, etc. These can be furnished by the cities in the form of a Unified Work and Construction Program. Once approved, the City would receive their allocation for federal block grant money for street improvements.

I would like to thank the Committee for this opportunity to testify here today, and would be happy to answer questions as best I can.

HOUSE CHAMBER

Forty-seventh Legislative Assembly

STATE OF NORTH DAKOTA

BISMARCK 58505

Rep. Douglas Mattson
Districts 40 and 50
P. O. Box 3057
Minot, ND 58701

Committees
Finance and Taxation
Natural Resources

June 30, 1981

Transportation Subcommittee of
the Senate Committee on
Environment and Public Work
451 Russell Senate Office Building
Washington, D. C. 20510

TO WHOM IT MAY CONCERN:

We welcome you to the State of North Dakota that we're all so proud of and hope your stay is a pleasant one. We hope you'll be able to appreciate our concern in servicing the transportation needs of rural America and, in particular, North Dakota.

Because of past and future growth of the agricultural and energy industries, North Dakota's transportation needs are unique. The emphasis that the nation is putting on finding new and expanded sources of energy has led to North Dakota in becoming an important part of the solution to the energy crisis that we face now and will face in the future.

North Dakota is also being asked to provide much of the wheat and other grain products that is being exported. This being borne out now in the recent developments in the Kansas wheat fields. The exportation of agricultural commodities is important to the United States' economic development, as it greatly helps the balance of trade.

Because of the increased ability to produce to meet the demand of our agricultural and energy products in North Dakota, the transportation system of North Dakota, which depends on the railroads and highways, especially the highways, is getting much more use than the system was designed for. The average farmer's production is rapidly increasing and with the commodities being trucked either to sub-terminals or directly to market, North Dakota's highways will need upgrading to meet the demands placed on them by the transporting of agricultural commodities. The abandonment of railroad branch lines is further complicating this, as the secondary roads in North Dakota will have to be upgraded to carry greater amounts of traffic. Farmers will be required to transport their products to sub-terminals. Larger and heavier trucks will be required in order to retain the same efficiency as today. The problem arises as our roads are not designed for these trucks and they will have to be upgraded.

Energy development has put unique requirements on the North Dakota road system. With the great increase in coal development, there is a tremendous increase in vehicular traffic associated with moving personnel to and from job sites that can employ up to 3,000 people during the construction phase and up to 1,000 people, once the plant is operational. Also, during the construction phase, numerous trucks are involved in hauling plant components to the site. The secondary and primary roads leading to these plants are not designed to handle this large day-to-day volume of traffic.

With oil development, large areas of North Dakota, including primary and secondary roads, are under massive assault from numerous trucks involved in transporting oil and/or drilling rigs and related material. Western North Dakota is very much impacted by constant oil development activity, resulting in many roads, and especially the bridges, being worn out from the oil related traffic.

Because the roads are not designed for these large vehicles and large volume of traffic which are expected to impact an area, North Dakota has numerous safety problems due to poor road design and lack of capacity. These roads were designed for the much lighter trucks of the 1950's, not the heavy vehicular traffic of the oil patch and of the 1980's. Moreover, with the increased oil and agricultural traffic in North Dakota, the bridges on the secondary system are not able to support the trucks hauling our commodities and, therefore, require farmers and oil truckers to go many miles out of their way, thus burning up many gallons of fuel needlessly.

The solution to the above problems would call for increased or continued road upgrading. Because of the small population of North Dakota, we have limited financial resources well extended to work with, with regard to financing road construction. Presently, North Dakota is using not only our user fees (gasoline tax/registration fees) to raise matching money for highway projects, but also we've committed general fund revenues and a part of our oil and gas taxes. This has lately led to the reconstruction of Highway 2 and Highway 83.

One should be mindful that North Dakota could more easily solve the problems that we face if we would not be penalized for our all-out effort in the 1960's and early 1970's to complete the interstate system. North Dakota's effort to complete the interstate system early has saved the federal government many millions of dollars, as we were able to complete the system at a much lower cost than what it would cost to complete the system now. It is our recommendation that the federal funding of roads in North Dakota should be the same amount as during the era when the interstate system was being completed, so that we may be able to finish the projects that were postponed then.

Reviewing the problems, we feel thought should be given to increasing North Dakota's allocation of federal matching funds so that we may be able to assist in continuing the search for new energy to replace oil that is presently being imported into the country along side of rural America's and North Dakota's farmers who continue to provide the nation with a low-cost food supply and commodities to export. Accordingly, a special emphasis should be put on the four-laning of Highway 2 in Western North Dakota, both to meet the energy development needs and to provide the farmers with a better road to haul their commodities to market, now that railroad branch lines are being abandoned.

Very truly yours,

Douglas Mattson
State Representative

STATEMENT OF ALAN ESTVOLD, COUNTY ENGINEER, MCKENZIE COUNTY, N. DAK.

At present, McKenzie County has about 1575 miles of graded and graveled county roads which we maintain, of this, 132 miles is Federal Aid Secondary. The amount of FAS is about 8.4% of the total amount of roads maintained. Our present Federal Aid allocation for these roads is about $80,000 per year. Our cost matching on this FAS system is 30% county and 70% Federal. This means it takes about 4 or 5 years to save enough of our Federal Aid allocation to construct an average project. We need this Federal Aid to help bring our roads and bridges up to standards. The estimated present day cost to bring our Federal Aid Secondary system up to a standard consistant with our traffic needs is $5.6 million.

We have 211 bridges in the county, of these, 25 bridges are on the Federal Aid Secondary system. Of these 25 FAS bridges, 12 are deficient according to North Dakota State Highway Department standards. There are 186 off system bridges in the county of which 127 received a deficient rating. The estimated cost to bring these bridges up to a standard consistant with the North Dakota State Highway Department is $9.6 million.

The Oil boom in the county has had a tremendous effect on our roads. Oil trucks out number farm trucks by 18 to 1, and oil traffic amounts to 62% of the total traffic on our county roads. Overall traffic on our roads has increased by 174% since 1976. The increase in traffic can be almost all atributed to the oil industry.

This is the current condition of McKenzie County roads and bridges. The accelerated deterioration of them make our financial condition even more accute. Instead of reducing the amount of Federal Aid it should be increased.

magic MINOT
CHAMBER OF COMMERCE
200 SOUTH BROADWAY
P.O. BOX 940
MINOT, NORTH DAKOTA 58701 (701) 852-8000

July 1, 1981

FROM: Transportation Committee
Minot Chamber of Commerce

TO: Transportation Sub-committee of
the Senate Committee on Enviroment and Public Works
Fargo, ND 58102

The Honorable Senator Quentin Burdick,

Since North Dakota chose to place its highest priority on the completion of its Interstate System,

Since North Dakota was the first state in this nation to complete our Interstate Segment,

Since this cooperative effort has been at the expense of the primary and secondary systems,

And Senator Burdick has presented this position to the United States Senate and has won the policy of support for states that have cooperated with the Interstate program to receive funding for primary and secondary highway systems,

The position Minot, North Dakota is placed under a change in the present policy that will alter and disrupt highway construction and plans that are vital to the highway transportation of its primary and secondary roads.

Some of the future problems that must be considered are the following impacts:

1. North Dakota State Rail plan, November 1980, states North Dakota currently has 840 miles of track identified in potentially abandonable categories by the Railroad (3,000,000

gross tons annually -- this figures to 60,000 trucks of 50 tons.) Many more lines are possible subject to abandonment. North Dakota has 3,000 miles of branch lines.

2. Existing Highway 2, Stanley to Ray, North Dakota, is a two-lane road that has non-parking shoulders, which is presently under construction and planning. Perhaps no place in North Dakota is more heavy commercial transports and oil equipment transports using the highways. This existing system impares the safe movement of goods and people.

3. Two vital missile bases are subject to the use of highways leading to the complexes on primary and secondary northern roads.

4. Agricultural marketing is undergoing a concept of terminal grain handling that places heavy use of primary and secondary roads. The abandonment of branch lines forces this alternate transportation plan.

5. Township and county roads are facing up to a problem of over 5,000 bridges that are sub-standard for ever increasing heavy transports for grain movement, oil equipment and military and energy related equipment.

6. Highway 52, Minot to Velva, will increase commercial load from 730 commercial loads to 2,770 commercial loads by 1982. This is the activity of only the Velva Sunflower plant. (Enclosed letter from Midwest Processing Company).

7. An ever increasing commerce with Canada must rely on Highway 52, with the increase of energy development.

Without the Federal funding planned and with changes in transportation policies underway, and cut backs on the increased demand, both inflationary in construction cost and usage, only leaves the northern tier of primary and secondary roads on a collision course of imparing safety and moving agriculture, military and energy products. For example:

Bismarck, North Dakota, with a population of approximately 44,000, on the Interstate experiences a traffic flow of all interstate primary and secondary roads - 1979 count of 30,480 passenger cars and 5,205 commercial truck per day on these roads. This is an increase of approximately 18 percent from 1977 - 27,480 passenger cars and 4,390 commercial trucks per day.

Minot, North Dakota, with a population of approximately 33,000 with no interstate, but all primary and secondary roads, which are now being upgraded and under construction - 1979 count of 37,960 passenger cars and 3,915 commercial trucks per day on these roads. This is an increase of 19 percent from 1977 - 33,300 passenger cars and 3,300 commercial trucks per day. (Enclosed traffic flow figure of state highway counts 1977 and 1979).

With Minot cut off from Federal funding that is now working on four-laning of Highway 2, Grand Forks to Williston, places highway transportation in a position that can not meet the future demand of this area.

Midwest Processing Company

January 21, 1981

Mr. George Woell
Transportation Comm.
Minot Chamber of Commerce
200 South Broadway
Minot, ND 58701

Dear Mr. Woell:

This letter is to inform you of the anticipated traffic that the Sunflower Plant at Velva will generate. We are providing this information so you and your associates can plan for and project the immediate as well as long range traffic in the area.

We are told that 1000 ton per day Sunflower Plant requires 45 semi-trucks operating 24 hours per day to supply the plant. Looking at it more realistically, it would be more like 25 semi-trucks and up to sixty farm trucks operating on a 24 hour basis. Realizing that the majority of these trucks will not be working on weekends, so during the week this figure could be even higher. We anticipate that the majority of the seeds will come from an 80 to 100 mile radius of the plant. We feel that many of the farmers will haul their seed themselves, so there will be alot of farm trucks as well as commercial truck traffic.

We expect the heaviest traffic to be on U.S. Hwy. 52, especially from Minot to Velva as this is the route off U.S. 83 North and U.S. 83 South. It is also fed from U.S. 2 & 52 West.

We also anticipate that much of the Sunflower meal will be trucked to Western feedlots in Wyoming and Colorado, as well as throughout the state. Trucks going to Western feedlots will put pressure on U.S. 52 West of Velva as well as ND 41 South to I-94. If the meal is transported by truck, it is estimated that it would require up to 20 semi-truck loads daily to transport the meal from the plant.

Construction traffic during the next year or two will be considerable as we expect up to 300 people on the site during the busiest period. When the plant is completed, we estimate 80 employees on site.

I hope that this information will be helpful to you in assisting with planning for traffic needs in the Minot area.

Sincerely,

MIDWEST PROCESSING COMPANY

Kelly Sauer

Kelly Sauer
Secretary

KS:dsw

TRAFFIC FLOW

(Taken From North Dakota State Highway Road Counts)

MINOT

	1977 PASSENGER	1977 COMMERCIAL	1979 PASSENGER	1979 COMMERCIAL
83 South	7,500	825	10,160	880
52 South	4,100	540	5,400	730
2 East	4,700	720	4,700	720
83 North	10,600	480	9,400	515
2 & 52 West	6,400	765	8,300	1,070
TOTAL	33,300	3,330	37,960	3,915

BISMARCK

	1977 PASSENGER	1977 COMMERCIAL	1979 PASSENGER	1979 COMMERCIAL
94 East	4,940	1,085	5,200	1,455
94 West	4,560	1,070	4,830	1,205
94 Secondary	1,075	205	3,050	395
83 North	7,600	985	7,600	985
6 South	1,730	265	2,275	350
1806 South	2,275	180	2,800	285
1806 North	950	85	975	100
25 North	1,275	205	850	135
1804	3,075	310	2,900	295
TOTAL	27,480	4,390	30,480	5,205

Minot: 1977 - 1979 = 19% increase Bismarck: 1977 - 1979 = 18% increase

MORTON COUNTY
STATE OF NORTH DAKOTA
OFFICE OF
COUNTY ENGINEER

210 2nd AVENUE N. W. — BOX 277 MANDAN, NORTH DAKOTA 58554 PHONE (701) 663-4238

RICHARD B. KJONAAS
County Engineer

CHARLES A. MORMAN
Road Superintendent

June 18, 1981

Senator Quentin N. Burdick
Member of Senate Committee on Environment
and Public Works
Washington, D.C. 20510

RE: Transportation Subcommittee
Meeting, Fargo, N.D., July 1, 1981

Dear Senator Burdick:

On behalf of the Board of Morton County Commissioners and myself I wish to thank you for your invitation to appear at the above referenced subcommittee meeting. We also appreciate your concern in the issue of the Federal Aid Highway Program, which is vital to Morton County. We understand, however, that time will be very precious at this hearing and have decided to supply specific information to spokesmen of the North Dakota Association of Counties and of the North Dakota County Engineer's Association. Also Morton County would ask that the following written testimony be made a part of the official record of the meeting.

Morton County's largest problem is the bridge problem. Morton has approximately 550 bridges and over 400 of these are substandard. Morton County has 70 bridges on the school bus routes rated less than 10 tons. Since these bridges were originally built to support 15 tons this is a sign of deterioration of the bridges. Also since the school districts operate 60 passenger school busses throughout the County which weigh a total of 10 tons, there are several cases in Morton County where the school bus has its entire weight on the bridge and the weight is in excess of the legal and safe limit. Morton County considers the bridge problem to be critical due to the possibility of lives being endangered and is appreciative that to date most groups are in favor of continuing the bridge replacement program.

I am sure you can appreciate that Morton County is concerned about the proposal to eliminate the Federal Aid Secondary Program.

Eliminating the Federal Aid Secondary Program will automatically increase the mileage on the off-system network of County roads and I would urge you to consider that if this occurs that the percentage of off-system money made available through various programs, such as the bridge replacement program, be increased. I have always felt that the Federal Aid Secondary Program was a good program and it reflects the concern at all levels of government for a modern network of highways forming the backbone of the County system. I would remind you that the agricultural community in an effort to efficiently produce and transport its products have purchased large and heavy equipment and that counties must design and construct their roads to accommodate this farm machinery. Also in Morton County we are beginning to feel the influence of oil exploration, both in wildcat wells and seismograph activity. This past year we have also had a transmission line constructed through our County by Basin Electric and are also expecting Northern Border Pipeline to begin construction in our County this summer. The heavy truck traffic and in some cases the extremely heavy traffic generated by this activity is also causing an impact on our roads and bridges and increasing our maintenance costs.

As a last comment, Morton County would like to express its concern relating to the cancellation of the Federal Aid Secondary Program within a two year time period. If the program is to be discontinued we feel that a longer transition period would be beneficial to allow for needed changes in state and local legislation. Certainly no one is talking about the need for roads being less important; the philosophy seems to be merely that the burden be shifted from the federal government to the state and local governments. For this to occur a proper transition period should be provided. One example of this is the ten mill matching levy utilized by most counties in North Dakota, including Morton County. This ten mill matching levy originated by 60% voter approval and was for the purpose of matching Federal Aid Secondary monies. This matching levy also included a specific road improvement program as part of the ballot. I believe that for this program to be continued there would have to be some changes in state legislation and possibly also on local elections. If the Federal Aid Secondary Program is discontinued within two years, I doubt that all the needed changes in state legislation and at the local level could be made and we believe that there would be an interruption in the construction of the counties road improvement program.

Richard B. Kjonaas
Morton County Engineer

Richard Bendish, Chairman
Morton County Board of County Commissione

RECEIVED
JUN 26 1981
N. DAK. WHEAT

Before the Transportation Subcommittee

of the Senate Committee

on Environment and Public Works

In Re: FEDERAL AID HIGHWAY PROGRAM

Hearing Date - July 1, 1981

Hearing Site - Fargo, North Dakota

COMMENTS OF THE NORTH DAKOTA STATE WHEAT COMMISSION

These comments are being presented on behalf of the North Dakota State Wheat Commission. The Wheat Commission is the state agency charged with the responsibility of promoting greater market development for North Dakota wheat. It is financed by 40,000 wheat producers in North Dakota through a voluntary tax on each bushel of wheat sold.

Unfortunately, the North Dakota State Wheat Commission is holding a regular meeting in Bismarck on July 1 and therefore we will be unable to have anyone in Fargo on July 1 to testify in person regarding our concern about legislative proposals for the Federal Aid Highway Program.

Our Commission has very strong concerns relating to the necessity of the federal government to maintain its current funding program for primary and secondary highways and bridges. These concerns are made stronger due to the fact that dramatic changes are occurring in grain transportation and marketing within the state of North Dakota as well as all agricultural states in the Midwest.

Outmoded rail networks are being pruned back to bare-boned systems. Large scale rail abandonments are resulting in farmers being forced to move their grain sometimes as much as 100 miles from their farm just to reach the nearest railhead.

In North Dakota, our primary rail carrier, the Burlington Northern, recently announced it has 1,201 miles of track within North Dakota under study for future abandonment. That's over one-third of all their lines within our state.

In the past, North Dakota grain producers have relied heavily on the Burlington Northern Railroad to move our grain over their tracks to our major markets of Minneapolis/St. Paul, Duluth/Superior and the Pacific Northwest.

North Dakota produces a good deal of grain. We lead the nation in the production of hard red spring wheat, durum wheat, malting barley and sunflowers. The state is also among the leaders in the production of flaxseed, potatoes, feed barley and sugar beets. Oats, rye, corn, beans and hay are also produced.

A review of crop movement reports, prepared by the Upper Great Plains Transportation Institute located at North Dakota State University in Fargo, demonstrates that North Dakota railroads move substantial bushels of grain and oilseed to our primary markets every year.

For example, in the 1979-80 crop year the railroads moved over 294,000,000 bushels of grain and oilseed to all North Dakota markets. That is 62% of the total movement during the crop year.

The following table demonstrates how extremely important North Dakota railroads are for movement of grain and oilseed to market. The table also shows that trucks, in the past, have also moved their fair share of agricultural commodities from our state.

N.D. GRAIN AND OILSEED SHIPMENTS BY RAIL AND TRUCK AND DESTINATION

DESTINATION	1976-77		1977-78		1978-79		1979-80	
	RAIL	TRUCK	RAIL	TRUCK	RAIL	TRUCK	RAIL	TRUCK
			(thousand bu.)					
MINN.-ST. PAUL	82,764 (76%)	26,856 (24%)	60,859 (71%)	24,372 (29%)	61,186 (66%)	32,168 (34%)	138,318 (60%)	92,225 (40%)
DULUTH-SUPERIOR	80,207 (63%)	47,837 (37%)	121,899 (63%)	71,025 (37%)	140,112 (56%)	110,541 (44%)	79,040 (66%)	40,672 (34%)
WEST	11,703 (56%)	9,120 (44%)	19,386 (67%)	9,645 (33%)	33,461 (72%)	12,952 (28%)	31,878 (68%)	15,076 (32%)
MISC. MARKETS	30,455 (64%)	16,970 (36%)	33,034 (64%)	18,384 (36%)	36,310 (55%)	29,504 (45%)	45,106 (57%)	33,750 (43%)
TOTAL	205,129 (67%)	100,783 (33%)	235,178 (66%)	123,426 (34%)	271,069 (59%)	185,165 (41%)	294,342 (62%)	181,724 (38%)

With the specter of large scale rail abandonment looming on North Dakota's horizon, it is not difficult to predict that total truck movement, at least within the state of North Dakota, will soar bringing along with it increased pressure on local highways and bridges.

Farmers, who no longer have a railroad serving their local communities, will be forced to move their grain substantial distances by truck to reach grain elevators with rail service.

Of course, once those farmers make their initial investments of $40,000 or $50,000 for a semi-tractor and trailer many will probably bypass North Dakota elevators altogether and deliver their grain directly to major markets such as Minneapolis. As a result, rail abandonment may not only have adverse effects on local secondary highways and bridges but also on the interstate and primary highway system.

Of course, someone will have to pay for the added expenses caused by overuse of our highway systems. Certainly, it will be necessary for local and state governments to appropriate ever increasing sums of money to keep up with the maintenance and road building needs of our state.

However, in the past the federal government through the Federal Aid Highway Program has borne a share of the burden in maintaining not only interstate highways but also primary and secondary highways and bridges within our 50 states.

The North Dakota State Wheat Commission believes that continued involvement by the federal government in the area of highway funding is absolutely necessary. It's necessary not only for interstate and primary highways but also for secondary highways, roads and bridges.

Any cutback or elimination of such federal funding will have dramatic adverse effects on all rural states.

It is the position of the North Dakota State Wheat Commission that any adverse impact on rural states will have a similar adverse impact on the rest of the nation.

We all should remember that each and every one of us are heavily dependent on the farmer in the rural state who not only puts food on our tables but also produces enough for export to foreign countries and thus helps keep our country financially stable.

Agriculture is the backbone of the United States. It is not an understatement to say that a strong rural highway system has been and remains one of the cornerstones of a strong agricultural economy.

With all of the above in mind, the North Dakota State Wheat Commission respectfully requests that the United States Congress not cut back or eliminate any federal funding for maintenance and upkeep of rural roads and bridges.

Sincerely,

NORTH DAKOTA STATE WHEAT COMMISSION

Ludger Kadlec
Chairman

HOUSE CHAMBER
Forty-seventh Legislative Assembly
STATE OF NORTH DAKOTA
BISMARCK 58505

Rep. Kenneth Olefson
District 11
P. O. Box 115
Gardar, ND 58234

Committees
State and Federal Government
Transportation

July 1, 1981

The Honorable Senator Burdick

I request this testimony be presented to the Senate Transportation Sub-Committee.

Dear Ladies & Gentlemen:

I wish to thank you for this opportunity to present my views on transportation in rural America, and especially North Dakota in the next decades.

Our present transportation system, mainly the railroads, was built in the 1890's and early 1900's. This system was mostly a main line system with branch lines put in place to feed the main lines. This system was designed for single car loading of grain at country elevators to be moved to Minneapolis and Duluth markets.

At this time, our total transportation system is at a threshold of change as has our economy, life style, number of farmers, methods of farming, markets, and economics of marketing in new areas has changed in the last 80 years. To point this out, when my Great Grandfather would take 70 bushels of wheat to the nearest rail head at St Thomas (20 miles), it would take a day down and a day back to the farm. Whereas now I can take 830 bushels of wheat to Duluth, Minn. (320 miles), in the same day.

In the future, whether we like it or not, we are going to find that the railroads are going to abandon the branch line system for feeding their main line system. It has been said by many that this will mean the end of our country elevators in the small towns of North Dakota. I do not think this will be true for efficient and will run operations. These elevators will serve as collection and service centers for area farmers. Grain will be collected from the local area, then moved by truck to terminals located on the main railroad lines to be loaded on unit trains. This system will make maximum use of the efficiencies of both the railroads and trucks as thereby offering an efficient transportation system that will benefit the farmers of North Dakota and the consumers of this nation.

There is another benefit to North Dakota farmers that will come from a terminal system in North Dakota. With the ability to load unit trains, it will free North Dakota farmers from the dominance of the Minneapolis & Duluth markets. I might also say that with the terminal system the people in Duluth could stay on strike for as long as they want, because we would be able to load unit trains and ship grain to the ocean ports of Seattle, Portland, Galvaston, Houston and New Orleans.

Now we come to the bottom line, the funding of our secondary raod system. Instead of phasing out the Federal Government involvement in our secondary system we will need the same or more involvement from the Federal Government. Our secondary road system is the life line between our farms and the cities of this nation, it is also an integral part of our national defense system of raods. It has been proven that our interstate system could be knocked out of use by systematically destroying the overpasses of the system. In an emergency it would be the secondary system that would be keeping this nation together by moving goods & services.

In conclusion I hope this Committee recommends that the Federal Government increases its involvement in the secondary road system of rural America.

Thank You

Rep Kenneth Olafson

Rep. Kenneth Olafson

North Central
Planning Council

"Professional planning staff serving citizens and their governments in the counties of Rolette, y."

June 22, 1981

Senator Quentin N. Burdick
United States Senate
Committee on Environment and Public Works
451 Russell Senate Office Building
Washington, DC 20510

Dear Senator Burdick:

North Central Planning Council is thankful for the opportunity to comment on the impact of rail line abandonments on highways within Region III. Representatives of Ramsey County will be present at the hearing in Fargo on July 1, 1981. Lloyd Stromme, who is a Ramsey County Commissioner, is also Vice-Chairman of North Central Planning Council. He will be giving verbal testimony which reflects not only the county and Planning Council, but the Association of Regional Councils as well.

Enclosed for the review of your committee are copies of sections of the North Dakota State Rail Plan that deals with impact of rail abandonment within our Region. The Planning Council, under contract with the State Planning Division, interviewed every shipper on branch lines within the Region. We also held several public hearings in areas affected by branch line abandonments. We believe the data presented here is reliable and may actually understate the problems.

If you have other questions that we may be able to answer, do not hesitate to contact us.

Sincerely,

William S. Patrie
Executive Director

WSP/jj

Enc.

P.O. BOX 651 - DEVILS LAKE, ND 58301 - 701-662-8131

DUNSEITH TO YORK BRANCHLINE

BASIC LINE CHARACTERISTICS

Carrier	Burlington Northern Inc
Length	41.8 Miles
ICC Category	1 - Abandonment anticipated within 3 yrs.
FRA Class	3 - 40 MPH
US DOT System Classification	B Branchline
ND Rail System Classification	C

OPERATIONAL CHARACTERISTICS

Trips per week	2
Stations	2
Connecting Lines	BN at York
Dimensional Restrictions	Northern portion from Dunseith to Nanson will not accommodate a gross load over 220,000 lbs.
*Rail Car Loading 1977-1978	128
*Rail Revenue	$163,027 (grain only)

POTENTIAL NEGATIVE ECONOMIC IMPACTS

These figures cannot be released since there is only one licensed elevator on this line. They are on file at the State Highway Department.

POTENTIAL NEGATIVE ENERGY/ENVIRONMENTAL IMPACTS

Fuel Consumption Increase (Gals.)	91,617
Additional Trips Generated	332

*1978-1978 statistics were not available when this report was prepared. Shipments declined somewhat during that period.

The Dunseith to York line starts at York in Benson County and runs in a northerly direction through Pierce and Rolette Counties. It passes through Hong, Wolford, Nanson, Rolette, Thorne, and Dunseith. Total population has declined since 1960 for all communities adjacent to this line. The town of Wolford is classified as a Hamlet. (Please refer to Appendix A for a description of farm trade centers.)

SHIPPER AND FREIGHT TRAFFIC CHARACTERISTICS

The only licensed grain shipper on this line is an elevator at Wolford which employs two persons full-time with three dependents. Survey results indicate that trucking is not considered an effective substitute for rail service and that loss of rail service could result in the closing of this elevator.

A mobile flax straw processing plant owned by the Schweitzer Division of Kimberly Clark under contract to the Olin Corporation operates out of an area between Bottineau and Dunseith. The plant processes flax straw into bales for shipment in large door boxcars. Shipments are made from January to June with peak loadings in March and April. During the last season approximately 200 carloads were shipped out of Dunseith. This figure is not included in the grain movement statistics shown on the first page of this analysis.

This plant buys some of its flax straw from Canadian farmers who truck directly to the processing plant. The International Peace Garden port-of-entry on US 281 makes a Dunseith location more desirable than a Bottineau location because although the plant does ship from both locations, Dunseith is a 24-hour port-of-entry.

The company has a continuing three year option to rent a location on the west side of Dunseith. In a telephone conversation with the field manager, Mr. Dale Zahn, a strong preference was expressed for the Dunseith location because the processing site is only 1½ miles from the shipping site. The company last year shipped an additional 100 to 120 carloads from Bottineau but has cancelled their lease on a Bottineau processing site and intends to ship this additional volume through Dunseith in the future. Should the shipping location be changed, there are indications that the plant location would be moved south of Dunseith to the Soo Line.

The State owned and operated Medical facility at San Haven uses approximately 7,000 tons of coal per year. This coal is presently shipped to a siding in Dunseith in about 50 to 60 ton shipments because of weight restrictions on a structure located between Wolford and Dunseith.

Coal is hauled from Dunseith to San Haven by truck, a round trip distance of approximately five miles in 10 ton loads. The facility can presently store approximately 200 to 250 tons of coal in below ground bins and another 300 to 350 tons in stock piles above ground. This represents about a two week supply.

GRAIN HANDLING CHARACTERISTICS

The throughput ratio for the licensed elevator on this line is 3.77 compared to a state average of 2.63. During the 1977-78 crop year 69.45 percent of the grain handled was shipped by rail utilizing 128 rail cars on 3.05 rail cars per mile. Potential rail revenue lost to truck competition amounted to $68,455. Grain handling and storage activities of the elevator on this line amounted to 80 percent of total earnings with the balance coming from the sales of merchandise and other merchandise. Since there is only one shipper on this line, this information cannot be made public. It is on file at the State Highway Department.

EFFECTS OF ABANDONMENT

Transportation needs of the state will be affected by increased highway maintenance costs of $10,927 and in increased transportation costs for the impacted shipper.

RECOMMENDATIONS

This line should be more thoroughly analyzed to consider options available to retain and improve service or consolidate or transfer shipments at location on a more viable line. Possible service on a portion of this line by an alternate carrier can be considered. This line is presently identified in ICC abandonment Category 1 by the BN for possible abandonment within three years. This means that the railroad will be watching shipping trends from shippers on this line very closely for future financial viability.

The railroad service commitment to the shippers on this line will also be monitored very closely to assure that the railroad is not purposely affecting shipments through car availability.

The long range viability of this line is questionalbe without investing in an accelerated maintenance program to upgrade the line to handle larger cars. To allow the line to efficiently carry 100 ton hopper cars would take an investment of approximately $2 million to $4 million. Additional analysis is needed to determine whether an investment of federal funds is justified and what the equitable distribution of costs should be for the railroad, shippers and the state.

The condition of this line is relatively good for a branchline. The railroad most likely will continue to operate on this line as long as lighter cars (boxcars or similar type rolling stock) are available, the line is producing a profit, and no large maintenance costs of major repairs are needed.

The Highway Department staff will continue to work with the shippers on the line and the railroad to more completely analyze the economics and service requirements of the line. The shippers should be encovraged to more formally organize, not only with the shippers on this line but also with the shippers on other area lines to insure viability of service to the area.

Table 1

Population and Percent Change By Locality 1960-1970

Location	Population 1970	Population 1960	% Change 60-70
York	102	148	-31.1%
Wolford	81	136	-40.4%
Benson Co.	8,245	9,435	-12.6%
Pierce Co.	6,323	7,394	-14.5%
Rolette Co.	11,549	10,641	8.5%

Source: U.S. Census of Population

Table 2

Grain Elevators By Location

No shipper statistics on this line can be released since there is only one licensed shipper on the line.

MINNEWAUKAN TO SHEYENNE BRANCHLINE

BASIC LINE CHARACTERISTICS

Length	18.7 Miles
ICC Category	2 - Under study for future abandonment
FRA Class	3 - 40 MPH
Carrier	Burlington Northern RR
US DOT System Classification	B Branchline
ND Railroad System Classification	B

OPERATIONAL CHARACTERISTICS

Trips per week	2
Stations	2
Connecting Lines	Burlington Northern South
Dimensional Restrictions	None
Rail Car Loading 1977-1978	235
Rail Revenue	$273,747

POTENTIAL NEGATIVE ECONOMIC IMPACTS

Primary Job Losses	5
Increased Capital Costs	Not specified by shipper
Personal Income Loss	$77,000
Lost Income Tax Receipts	$ 880
Lost Property Tax Receipts	$13,238
Unemployment Payments	$ 6,445
TOTAL	$97,563 + any increased capital costs

POTENTIAL NEGATIVE ENERGY/ENVIRONMENTAL IMPACTS

Fuel Consumption Increase (Gals.)	106,392
Additional Trips Generated	854

The Minnewaukan to Sheyenne line begins at Minnewaukan (mile post 0) in Benson County and runs from north to south into Eddy County. From Minnewaukan it passes through Lallie, Oberon and Sheyenne. Total population has declined since 1960 in Benson and Eddy Counties and in the town of Oberon, which is classified as a hamlet. The population in Minnewaukan, a Class C trade center, has increased. (Please refer to Appendix A for a description of farm trade centers.)

SHIPPER AND FREIGHT TRAFFIC CHARACTERISTICS

Shippers include fertilizer dealers in Oberon and Minnewaukan as well as grain elevator in each community. These businesses employ a total of 11 persons full-time with 21 dependents and 1 person part-time. Total annual payroll for responding businesses amounted to $137,000. The two fertilizer dealers had a total annual freight bill of $30,000 for inbound rail traffic and $100,000 for inbound truck traffic annually. The percentage of all inbound shipments transported by rail ranged from 15 percent to 30 percent and averaged 22.5 percent.

According to survey results loss of rail service would result in the loss of five jobs and $77,000 in personal income. It would also result in a loss of an estimated $880 in North Dakota income taxes. One of the fertilizer dealers felt loss of rail service would force that business to close down. While neither of the grain elevators on this line felt loss of rail service would result in closing down only one indicated that trucking could be used as an effective substitute for rail service. Abandonment of this line would result in a loss of $13,238 in property taxes from the railroad. The two grain elevators serve a total of 300 grain producers or an average of 150 per elevator, an estimated 55 percent of which patronize other establishments in the community after conducting business with an elevator.

During a typical month an elevator serves 62 grain producers.

GRAIN HANDLING CHARACTERISTICS

The total number of bushels handled by the elevators on this line amounted to 1,540,115 bushels during the 1977-78 crop year. The throughput ratio for an elevator is 3.27 compared to a state average of 2.63. During the 1977-78 crop year 46.46 percent of grain handled was shipped by rail which amounted to 715,480 bushels. Two-hundred-thirty-five rail cars of 12.05 cars per mile were utilized. Potential rail revenue lost to truck competition amounted to $182,324. According to elevator operators grain handling and storage activities of the elevators accounted for 92.5 percent of total elevator earnings. Grain handling earnings varied from 90 percent to 95 percent for individual elevators.

EFFECTS OF ABANDONMENT

Transportation needs of the state will be affected by increased highway maintenance costs of $22,108 per year and increased transportation costs for shippers.

RECOMMENDATIONS

This line should be more thoroughly analyzed to consider options available to retain and improve service or consolidate or transfer shipments at location on a more viable line. The line is presently under study by the railroad for possible future abandonment. (ICC Category 2) This does not mean the railroads are anticipating abandonment immediately, but it does mean that the railroad will be watching the shipping trend from stations on this line in the future for increased rail shipping.

The railroad service commitment to the shippers on this line will also be monitored very closely to assure that the railroad is not purposely affecting shipments through car availability.

The long range viability of this line is questionable without investing in an accelerated maintenance program to upgrade the line to handle larger grain cars. To allow the line to efficiently carry 100 ton hopper cars would take an investment of approximately $2 million to $4½ million. Additional analysis is needed to determine whether an investment of this magnitude is justified and what the equitable distribution of costs should be for the railroad, shippers and the state.

The condition of this line is relatively good for a branchline. The railroad most likely will continue to operate on this line as long as lighter cars (boxcars or similar type rolling stock) are available, the line is producing a profit, and no large maintenance costs or major repairs are needed on the line for which they would have to pay.

The Highway Department staff will work with the shippers on the line and the railroad to more completely analyze the economics and service requirements of the line. The shippers should be encouraged to more formally organize, not only with the shippers on this line but also with the shippers on the Esmond to Oberon line. The viability of the Minnewaukan line could be enhanced with the added traffic from the Esmond line.

This line has a higher priority than the Esmond to Oberon line because it serves as a connecting link for the Esmond line. If possible, however, both lines or combinations of segments of the lines will be analyzed at the same time.

TABLE 21
POPULATION AND PERCENT CHANGE BY LOCALITY 1960-70

Location	Population 1970	Population 1960	%Change 60-70
Oberon	151	248	−39.1%
Minnewaukan	496	420	18.1%
Benson County	9,435	10,675	−12.6%
Eddy County	4,936	5,372	−16.9%

Source: U.S. Census of Population

SR3 tb21

TABLE 22
RAIL SHIPPERS BY COMMODITY AND LOCATION

Name	Commodity	Location
Peavey Company	Fertilizer	Minnewaukan
Cenex Soil Service	Fertilizer	Oberon
Farmers Union	Grain	Minnewaukan
Farmers Union Co-op	Grain	Oberon
Total Elevator Storage Capacity		470,000 bu.

SR3 tb22

TABLE 23
ALL GRAIN ORIGINATED FROM COUNTRY ELEVATORS TO ALL DESTINATIONS LOCATED ON THE SHEYENNE TO MINNEWAUKAN BRANCHLINE FOR FIVE SELECTED CROP YEARS

Item	1974-75 (bu.)	1975-76 (bu.)	1976-77 (bu.)	1977-78 (bu.)	1978-79 (bu.)
Hopper	260,517 (30%)	346,613 (32%)	584,505 (57%)	624,431 (87%)	712,549 (91%)
Box	602,078 (70%)	750,290 (68%)	440,781 (43%)	91,049 (13%)	73,749 (9%)
Total Rail	862,595 (91%)	1,096,903 (90%)	1,025,286 (77%)	715,480 (46%)	786,298 (36%)
Truck	87,165 (9%)	127,878 (10%)	311,921 (23%)	824,635 (54%)	1,425,563 (64%)
Total Bushels	949,760 (100%)	1,224,781 (100%)	1,337,207 (100%)	1,540,115 (100%)	2,211,861 (100%)

Source: Upper Great Plains Transportation Institute, North Dakota State University, Fargo, North Dakota, Unpublished Grain Movement Data.

SR3 tb23

TABLE 24

GRAIN ORIGINATED BY COUNTRY ELEVATOR LOCATED ON THE SHEYENNE TO MINNEWAUKAN BRANCHLINE FOR SELECTED CROP YEARS BY TYPE OF GRAIN AND DESTINATION

Destination/Commodity	1974-75 (bu.)	1975-76 (bu.)	1976-77 (bu.)	1977-78 (bu.)	1978-79 (bu.)
Duluth-Superior					
HRS Wheat	67,974	127,563	105,799	147,044	338,386
Durum	235,300	275,070	337,495	595,017	705,891
Rye	—	853	—	—	2,680
Flax	—	1,715	—	—	2,680
Barley	10,197	16,690	40,692	69,593	81,514
Oats	6,948	9,726	8,877	—	6,662
Sunflowers	—	1,577	6,563	351,428	626,804
Total	320,419	433,194	499,426	1,166,479	1,761,937
Mpls.-St. Paul and Other Minnesota					
HRS Wheat	57,099	67,682	150,983	29,684	27,197
Rye	203,341	251,099	218,298	53,325	71,766
Flax	—	1,398	2,270	840	3,432
Barley	16,692	29,542	10,795	15,053	9,957
Oats	12,651	293,823	237,042	59,094	122,751
Sunflowers	18,326	19,011	25,734	—	1,558
Total	308,109	664,161	646,767	240,800	315,725
Western States					
HRS Wheat	11,950	4,290	7,460	16,060	7,305
Other Destinations					
HRS Wheat	18,530	18,710	34,262	9,397	7,426
Durum	48,717	100,878	132,125	56,907	43,246
Barley	5,070	3,548	12,640	3,012	87,378
Sunflowers	—	—	454	47,440	11,260
Total	72,317	123,136	179,481	116,756	149,310

Source: Upper Great Plains Transportation Institute, North Dakota State University, Fargo, North Dakota, Unpublished Grain Movement Data.

SPO tb24

ESMOND TO OBERON BRANCHLINE

BASIC LINE CHARACTERISTICS

Length	27.5 Miles
ICC Category	2 - Under study for future abandonment
FRA Class	3 - 40 MPH
Carrier	Burlington Northern RR
US DOT System Classification	B Branchline
ND Rail System Classification	C

OPERATIONAL CHARACTERISTICS

Trips per week	2
Stations	3
Connecting Lines	Burlington Northern East
Dimensional Restrictions	None
Rail Car Loading 1977-1978	389
Rail Revenue	$515,329

POTENTIAL NEGATIVE ECONOMIC IMPACTS

Primary Job Losses	1
Increased Capital Costs	$30,000
Personal Income Loss	$ 9,000
Lost Income Tax Receipts	$ 176
Lost Property Tax Receipts	$ 5,316
Unemployment Payments	1,289
TOTAL	$45,781

POTENTIAL NEGATIVE ENERGY/ENVIRONMENTAL IMPACTS

Fuel Consumption Increase (Gals.)	158,002
Additional Trips Generated	1,214

The Esmond to Oberon line begins at Oberon in Benson County and runs from east to west via Josephine, Flora, Maddock, Hesper and Esmond. Total population has declined in Benson County as well as for communities adjacent to this line as indicated by Table 32. The major center of economic activity along this line is at Maddock, a Class C farm trade center. (Please refer to Appendix A for a description of farm trade centers.)

SHIPPER AND FREIGHT TRAFFIC CHARACTERISTICS

There are three elevators and four shippers relying on this rail line. In total they employ 66 persons full-time with 185 dependents and 2 part-time with 3 dependents for a total annual payroll of $678,068. Aside from grain elevators, the shippers on this rail line are located in Esmond and Maddock as indicated by Table 30. These businesses excluding elevators had a total annual freight bill of $102,600 for inbound rail traffic and $800 for outbound rail traffic. They also had an annual freight bill of $57,000 for inbound truck traffic and $12,150 for outbound truck traffic. The percentage of all inbound shipments transported by rail ranged from 25 percent to 100 percent for individual shippers and averaged 38.75 percenta overall.

In the opinion shippers and elevator operators loss of rail service would result in the loss of one job and $9,000 in personal income. It would also result in capital costs of $3,000 and increased transportation costs based on survey results of $500. Of the three elevators on this line only one felt it would close should rail service be abandoned. Two elevators indicated that trucking could be an effective substitute for rail service if necessary. Abandonment of this line would result in a loss of $5,316 in annual property taxes. Survey results indicate that elevators on this line serve a total of 600 grain producers or an average of 200 per elevator. During a typical month the average elevator served 137 farmers of which 58 percent performed business with other establishments in the community.

GRAIN HANDLING CHARACTERISTICS

There are three elevators on this rail line. Total number of bushels handled by elevators amounted to 1,645,949 bushels during the 1977-78 crop year. The throughput ratio for an average elevator is 3.79 compared to a state average of 2.63. During the 1977-78 crop year 68.8 percent of grain handled was shipped by rail which amounted to 1,132,163 bushels. Three-hundred-eighty-nine rail cars or 14.15 cars per mile were utilized. Potential rail revenue lost to truck competition amounted to $190,502. Grain handling and storage activities of elevators accounted for an average of 92 percent of total elevator earnings. Grain handling earnings varied from 80 percent to 100 percent of total earnings for individual elevators.

EFFECTS OF ABANDONMENT

Transportation needs of the state will be affected by increased highway maintenance costs of $34,984 and in increased transportation costs for impacted shippers.

RECOMMENDATIONS

This line should be more thoroughly analyzed to consider options available to retain and improve service or consolidate or transfer shipments at location on a more viable line. The line is presently under study by the railroad for possible future abandonment. (ICC Category 2) This does not mean the railroad is anticipating abandonment immediately, but it does mean that the railroad will be watching the shipping trend from stations on this line in the future for increased rail shipping and/or more profitable operations.

The railroad service commitment to the shippers on this line will also be monitored very closely to assure that the railroad is not purposely affecting shipments through car availability.

The long range viability of this line is questionable without investing in an accelerated maintenance program to upgrade the line to handle the larger grain cars. To allow the line to efficiently carry 100-ton hopper cars would take an investment of approximately $2-3/4 million to $6-1/4 million. Additional analysis is needed to determine whether an investment of this magitude is justified and what the equitable distribution of costs should be for the railroad, shippers and the state.

The condition of this line is relatively good for a branchline. The railroad most likely will continue to operate on this line as long as lighter cars (boxcars or similar type rolling stock) are available, the line is producing a profit, and no large maintenance costs or major repairs are needed on the line for which they would have to pay.

The Highway Department staff will work with the shippers on the line and the railroad to more completely analyze the economics and service requirements of the line. The shippers should be encouraged to more formally organize, not only with shippers on this line but also with the shippers on the Minnewaukan to New Rockford line.

TABLE 25
POPULATION AND PERCENT CHANGE BY LOCALITY 1960-70

Location	Population 1970	Population 1960	% Change 60-70
Esmond	416	420	– 1%
Maddock	708	740	– 4.3%
Benson County	8,245	9,435	– 12.6%

Source: U.S. Census of Population

SR3 tb25

TABLE 26
FUNCTIONAL TRADE CENTER CLASSIFICATION

Town	Class
Esmond	Hamlet
Maddock	Class C trade center

Source: Agric. Econ. Report #125 NDSU

SR3 tb26

TABLE 27
RAIL SHIPPERS BY COMMODITY AND LOCATION

Name	Commodity	Location
Peavey Company	Fertilizer	Esmond
Esmond Implement	Farm Machinery	Esmond
Summers Manufacturing	Manufactured Goods	Maddock
Farmers Union Bulk Fertilizer Plant	Fertilizer	Maddock
Esmond Equity	Grain	Esmond
Farmers Union Co-op	Grain	Josephine
Maddock Farmers Grain	Grain	Maddock
Total Elevator Storage Capacity		434,000 bu.

SR3 tb27

TABLE 28

ALL GRAIN ORIGINATED FROM COUNTRY ELEVATORS TO ALL DESTINATIONS LOCATED ON THE OBERON TO ESMOND BRANCHLINE FOR FIVE SELECTED CROP YEARS.

Item	1974-75 (bu.)	1975-76 (bu.)	1976-77 (bu.)	1977-78 (bu.)	1978-79 (bu.)
Hopper	410,582 (29%)	58,185 (4%)	500,755 (40%)	1,007,052 (89%)	967,883 (91%)
Box	987,102 (71%)	1,482,830 (96%)	755,213 (60%)	125,111 (11%)	100,842 (9%)
Total Rail	1,397,684 (83%)	1,541,015 (78%)	1,255,968 (79%)	1,132,163 (69%)	1,068,725 (46%)
Truck	286,052 (17%)	438,499 (22%)	331,559 (21%)	513,786 (31%)	1,236,973 (54%)
Total Bushels	1,683,736 (100%)	1,979,514 (100%)	1,587,527 (100%)	1,645,949 (100%)	2,305,698 (100%)

Source: Upper Great Plains Transportation Institute, North Dakota State University, Fargo, North Dakota, Unpublished Grain Movement Data.

SR3 tb28

TABLE 29

GRAIN ORIGINATED BY COUNTRY ELEVATOR LOCATED ON THE OBERON TO ESMOND BRANCHLINE FOR SELECTED CROP YEARS BY TYPE OF GRAIN AND DESTINATION

Destination/Commodity	1974-75 (bu.)	1975-76 (bu.)	1976-77 (bu.)	1977-78 (bu.)	1978-79 (bu.)
Duluth-Superior					
HRS Wheat	185,886	388,494	271,302	375,131	472,546
Durum	589,053	815,012	524,988	893,367	855,133
Rye	61,022	6,556	—	—	4,332
Flax	43,578	58,182	50,313	29,825	38,070
Barley	171,305	140,599	328,522	83,260	118,534
Oats	24,322	19,661	23,480	—	—
Sunflowers	1,374	12,096	4,990	118,094	628,043
Total	1,076,540	1,440,600	1,203,595	1,499,677	2,116,658
Mpls.-St. Paul and Other Minnesota					
HRS Wheat	117,816	79,640	32,391	34,192	10,757
Durum	163,885	98,328	100,206	16,848	5,264
Rye	—	—	2,000	—	874
Flax	66,421	134,493	58,939	18,235	17,506
Barley	116,690	134,402	87,793	15,559	21,649
Oats	5,330	14,636	19,867	—	2,857
Sunflowers	—	3,206	640	6,944	3,796
Total	470,142	464,705	301,836	91,778	62,703
Western States					
HRS Wheat	9,340	7,670	7,760	9,890	51,987
Other Destinations					
HRS Wheat	26,335	21,966	9,839	13,856	—
Durum	51,056	—	47,978	25,375	11,054
Barley	7,488	—	16,520	—	—
Oats	42,835	—	—	4,540	—
Sunflowers	—	—	—	—	63,296
Total	127,714	21,966	74,337	43,771	74,350

Source: Upper Great Plains Transportation Institute, North Dakota State University, Fargo, North Dakota. Unpublished Grain Movement Data.

SR3 tb29

NORTH DAKOTA PETROLEUM COUNCIL
A DIVISION OF THE AMERICAN PETROLEUM INSTITUTE
ROCKY MOUNTAIN OIL & GAS ASSOCIATION
NORTH DAKOTA DIVISION

LOWELL J. RIDGEWAY
EXECUTIVE DIRECTOR

DEWEY M. HEGGEN
ASSOCIATE DIRECTOR

AREA 701 - 223-6380
418 E. ROSSER AVE., P. O. BOX 1395
BISMARCK, ND 58502

RECEIVED
JUL 6 1981
Office of
Senator Burdick

July 1, 1981

The Honorable Quentin N. Burdick
451 Russell State Building
Washington, DC 20510

Dear Senator Burdick:

We appreciate the opportunity to submit these written comments to you in your capacity as a member of the Transportation Subcommittee considering legislative proposals for the Federal Aid Highway Program. One area of concern to the North Dakota oil industry is the appropriate federal role in secondary and urban highway programs.

Federal financial assistance has been an important ingredient in state highway programs. The oil producing counties in North Dakota are expected to receive about $50 million in the next biennium as their share of the state's 5 percent oil and gas gross production tax. Of this $50 million, only about 45 percent, as prescribed by state law, will be spent on county roads and bridges that are heavily impacted by oil exploration and production activity.

The Congress should give serious consideration as to how it best can assist the states with secondary and urban highway programs. The reason this is important to North Dakota is because the state's energy development is contributing to America's energy security.

North Dakota is currently contributing about 126,000 barrels daily to help meet America's energy needs. In 1975, when the state's oil production started to rise again, daily production was about 59,000 barrels. A good transportation system in the "oil patch" is vital if oil and gas production is to continue to play an important role in North Dakota's economy and in meeting this country's energy requirements.

Thank you for considering our views.

Sincerely,

Lowell J. Ridgeway
Lowell J. Ridgeway

LJR/mw

RAMSEY COUNTY, NORTH DAKOTA
OFFICE OF THE AUDITOR

Byrdia M. Spidahl
County Auditor

Anna S. Quick
Deputy Auditor

DEVILS LAKE, NORTH DAKOTA 58301

July 1, 1981

Senator Quentin Burdick
451 Russell Office Bldg.
Washington, D.C. 20510

Dear Senator Burdick:

Enclosed, for your information, is a copy of the testimony that the Ramsey County Commissioners presented at the hearing held July 1, 1981 in reference to the legislative proposals for the Federal-Aid Highway Program.

Your consideration in this matter will be appreciated.

Very truly yours,

Byrdia M. Spidahl

Byrdia M. Spidahl
Ramsey County Auditor

BMS/slm

Enclosure

We, the undersigned, Board of County Commissioners, Ramsey County, Devils Lake, N.D., offer the following testimony in reference to the legislative proposals for the Federal Highway Program.

Ramsey County electors in November, 1964 voted in a ten mill levy to fund a designated number of road projects that were to be on the Federal Aid System. Completion of the twenty designated projects in the order listed is already several years behind schedule due to the fact that revenues have not kept up with inflation. Local funding matched by federal dollars originally funded one project per year. It now takes three years or more to fund most projects. At the time the projects were first started, the Federal Highway Administration shared a 50% match of the total project. Since that time, the Federal Highway Administration match has steadily decreased and now is less than 1% of the total project. The first ten mile road project constructed in 1966 was bid in at $164,789.60. In 1980 a nine mile project was bid in at $691,679.44 with a Federal Aid Secondary allotment of $54,000.00. The revenue collected into the ten mill levy fund per year is approximately $211,000.00 which is almost the same as it was when the levy originated in 1964. Failure of the Federal Highway Administration to continue the 50% total project match has created an intollerable hardship on the county and has put the County Commissioners in a financial bind for completion of the priority road projects list.

Abandonment of the rail lines will put an even greater burden on all county highways, especially the county's hard surfaced roads. The cost of repair and maintenance of the present Federal Aid System is prohibitive. The impact of increased truck and other vehicle traffic on our highways, due to the abandonment of the rail lines, will result in even more repair and maintenance at a cost higher than is already being experienced. In fiscal year 1980-81 Ramsey County spent $51,000.00 for patching roads on the Federal Aid System. Funds are not available to continue to maintain these roads in good quality condition.

Townships have suffered tremendously as a result of the high cost of road construction and maintenance. Funds are no longer available to aid the townships in the areas of building roads, snow removal, blading, etc. Ramsey County has made the decision to discontinue road construction because it is too costly, however, winter and summer maintenance, at the present time, continues with a charge to the township for these services. Prior to this, the townships were provided with winter and summer maintenance and were given a discount on road construction as an incentive to construct their roads to county specifications.

Bridges in our county are not adequate in many instances and should be replaced. Local funding does not exist to handle the replacement costs. Federal matching dollars are necessary if we are to continue to upgrade and replace bridges in accordance with Federal Safety guidelines under the federal bridge replacement program.

In fiscal year 1980-81 the total revenue received to fund all phases of the County Highway Department was $870,870.00. The total expenditures were $1,261,748.00. Each year we are spending more than received and as a result the reserves are depleted. Local funding no longer can keep up with operational costs and the roads will not get the proper care.

In summation, the Highway Road System cannot survive the present high cost of operation along with the cut back in federal funding and the additional impact that would be felt from the abandonment of the rail lines.

Dated at Devils Lake, ND, this 26th day of June, 1981.

BOARD OF RAMSEY COUNTY COMMISSIONERS

BY: J. C. Connor
Chairman

Tom [illegible]
Vice-Chairman

Donald L. [illegible]
Commissioner

Harry E. Anderson
Commissioner

Lloyd Stromme
Commissioner

STATEMENT OF MAYOR CHESTER REITEN -- MINOT, NORTH DAKOTA

SENATE TRANSPORTATION SUBOCMMITTEE OF THE SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

FARGO, NORTH DAKOTA July 1, 1981

The City of Minot, North Dakota, serves as a retail and service center for most of Northwest North Dakota and a portion of Canada. It is the fourth largest city in the state, but has consistently ranked second in retail sales due to its location and the importance of the city to the agricultural community surrounding it.

Adequate and efficient transportation of people and goods is a cornerstone in the continual building of Minot's role as a service center for the agricultural community. In addition, those transportation facilities are necessary for the national defense (Minot Air Force Base is located 15 miles North of Minot) and the growing energy industry in the area.

Continuation of federal funding for construction and maintenance of federal aid highways is of vital importance to the City of Minot. Three federal highways converge in Minot and are in the process of being upgraded.

U. S. Highway #83 is in the process of being four-laned between Minot and Bismarck. U. S. Highway #2 is being widened and will be four-laned between Minot and Grand Forks. U. S. Highway #52 will see increased activity due to the expansion of the oil and sunflower industry in the area, and we hope that it too, will be repaired and upgraded in the near future.

Our number one concern, then, is the strengthening and continuation of federal aid for construction and maintenance of federal highways in the state and particularly our region.

The North Dakota State Highway Department has administered highway funds in urban areas for the past several years. The City of Minot has enjoyed participation in traffic safety programs, several urban street projects, and transportation planning for our area. We have enjoyed an excellent working relationship with the North Dakota State Highway Department and feel that they have done a commendable job in allocation and monitoring of the use of federal highway funds in the state of North Dakota.

I understand that federal dollars will no longer "stretch" to meet all of the needs of the cities and states throughout the nation. However, the transportation needs of urban areas in rural states are somewhat different than those of the larger metropolitan areas.

The size of our urban population centers make public transportation uneconomical, unattractive and almost non-existent. The City of Minot has operated a bus system for several years but it is heavily subsidized by local taxpayers. There is, therefore, heavy reliance on cars and truck transportation to move people and goods throughout our region. Much of the truck traffic is related to agriculture and is therefore important not only to our area but to the entire nation.

In addition to feeding much of the rest of the world, we are also one of the centers of national defense and are fast becoming a leading energy exporting state. We have given much to the rest of the nation and are in need of an adequate transportation system to continue that role.

The City of Minot would support any transportation bill which continues funding the urban programs in amounts similar to recent funding. And, we would strongly urge you to continue your excellent maintenance and construction programs on the federal aid system in our area and in the balance of the state.

Thank you for this opportunity.

Chester Reiten

Chester Reiten, Mayor
Minot, N.D.

P. O. BOX 1306 - WILLISTON, NORTH DAKOTA 58801

CITY OF **Williston** NORTH DAKOTA

To: Arne Boyum, Executive Director

From: Ralph Rognstad, Jr., City Planner

Subject: Paper for Senate Transportation Subcommittee Meeting, July 1, 1981, Fargo Holiday Inn

Date: June 18, 1981

The importance of the urban highway system cannot be understated. It is an important link between the local street system and the intrastate highway system, providing major transportation routes through and around Williston. Highways and streets are an important transportation mode in this part of the country because of the dispersed nature of settlement and employment patterns.

Williston has developed as the regional employment, trade and medical center for northwestern North Dakota and northeastern Montana, and the mobility provided by the highway system is very important. The highway system is also used by local farmers for transporting their grain to the elevators located in Williston. With the advent of unit trains and the closing of many rail spur lines, Williston may develop as a major shipping terminal and, highway transportation will become even more important.

The oil exploration and development industry is greatly dependent on the highway system. This industry is very dispersed and mobile. Seismic and drill rig crews may have to travel great distances daily (in excess of fifty miles one way) to get to the work site. Travel distance varies because the rigs move as frequent as every 90 days. Transportation of the heavy seismic and drilling equipment probably has the greatest impact on the highways, and this movement is year-round contributing to the road damage caused by the weather extremes of this area.

Federal aid for maintaining urban highways is needed because of the great number of people who use the system, but who could not be taxed by the city to help support it. Also, the rapid growth of the city due to the oil development boom is draining financial resources to other need services. The tax base of Williston is not growing at the same rate as the demand for services. This is due inpart to the high percentage of mobile homes which make up the new housing stock. Service demand from a mobile home is the same as from a built dwelling, but the tax return on a mobile home is less. The increased percentage of mobile homes is due to the unavailability and high cost of built housing and the relatively transient nature of many of the oil-related workers.

FEDERAL-AID HIGHWAY ACT OF 1981

FRIDAY, AUGUST 14, 1981

U.S. Senate,
Committee on Environment and Public Works,
Subcommittee on Transportation,
Denver, Colo.

The subcommittee met at 1:10 p.m., in the Old Supreme Court Chambers, State Capitol Building, Hon. Steve Symms (chairman) presiding.

OPENING STATEMENT OF HON. STEVE SYMMS, U.S. SENATOR FROM THE STATE OF IDAHO

Senator Symms. The subcommittee will please come to order, and we are delighted to have all of you here and welcome you to our hearing. We thank the State of Colorado for providing us the facilities here.

I just want to say that the Subcommittee on Transportation, which I chair, has recently concluded a series of meetings in Washington, D.C., on the Federal aid highway program, and I realize it is difficult and sometimes impossible for many of the State and area transportation groups to travel to Washington to present their views. The purpose of this hearing is to give those who live in Colorado and the surrounding States the opportunity to describe the condition of your highways and present your views on the legislation now before the subcommittee.

You are all familiar with the highway needs in this country. The 5 percent of our country's Interstate System which remains to be completed will cost $54 billion. According to a Department of Transportation needs study, over 10 percent of the Nation's interstates need major rehabilitation immediately and over 90 percent of the primary system in rural areas will need resurfacing in the next 15 years; 95 percent of the secondary system will need reconstruction during the same 15-year period and it will cost $33 billion to rehabilitate all of the deficient bridges in this country, so I think the financial implications of highway construction and deterioration are staggering.

At the same time, there has been a decline in revenues coming in on the highway trust fund. For the first time in 20 years, trust fund disbursements exceeded receipts in 1980. This will again occur in 1981.

While faced with declining revenues in the highway trust fund, we are faced with major increases in the cost of highway construction. The first quarter results for 1981 show the Federal Highway

Administration's composite index for highway construction costs at 160 percent of the 1977 base index.

The last decade has seen an increase of Federal environmental and construction standards with which State and local governments must comply. The Department of Transportation estimates it now takes an average of 9 years from the initial planning of a project to the beginning of construction work. Such delays add tremendous costs to the construction and maintenance of highway systems.

I would like to briefly outline several issues which both my bill, S. 1024, and the administration's bill, S. 841, seek to address:

First, the 1981 Interstate cost estimate shows the remaining cost to complete the Interstate System to be $53.8 billion. Almost 95 percent of the system is now completed and we are at the point where the remaining 5 percent will cost more than the initial 95 percent. This is unacceptable when the existing system is in urgent need of major rehabilitation. We must reevaluate our needs and priorities in terms of the Interstate System and make adjustments reflecting the current situation.

Second, the Federal interest in the urban and secondary and safety categories needs to be reexamined. The administration's bill would end Federal participation in the safety categories immediately and in the urban and secondary after 1983.

I have been concerned that the States and localities may be unable to take the responsibility for these programs in such a short time. In most of the Western States, the secondary system is a critical system of farm to market roads. States are experiencing their own economic difficulties and may have problems raising additional revenues.

Third, there has been a proliferation of small, categorical grant programs targeted at specific problems. These programs have drained funds from the broad highway categories and reduced the States' ability to set their own priorities and meet their most pressing needs.

Finally, if the Federal Government is going to ask the States to do more with less, I believe they must be given more flexibility regarding the Federal standards and environmental concerns necessary to provide effective transportation service.

Both multiyear authorizations and program changes are necessary in the Federal aid highway program in order to establish a national transportation policy which will enable the States to do long-range, effective planning, and this is absolutely necessary to prevent any further deterioration of the existing system.

I'm very happy to have a chance to be here in Denver today and to have all the witnesses that are here, and I would just like to make a further announcement, that due to the time constraints and to the problems we are having with flights, when as all of you are aware there has been a cutdown, and my plane leaves at 4:50 this afternoon and we have, I think, 21 witnesses on the witness list. I would just like to say that the testimony presented by all the witnesses will be made a part of the record and those of you who may be able to consolidate your testimony and give it as briefly as possible will certainly be appreciated by the committee.

We also have our staff here, both from the majority and minority side, and so if anybody wants to submit any testimony please give it to them.

I would also like to ask you all to try to stay within 5 minutes, because we are going to have to move right along to be able to complete the hearing in proper time.

So we look forward to hearing from our first witness, Hon. Harold Cook, the deputy mayor of the city of Denver. Mr. Mayor, please step up.

STATEMENT OF HON. HAROLD COOK, DEPUTY MAYOR, CITY OF DENVER, COLO.

Mr. Cook. Thank you, Senator. First of all, I would like to welcome you and your staff to the city and county of Denver, the Capitol of the State of Colorado.

I have here a letter from the mayor, Mayor McNichols, that I would like to read into the record.

> The city of Denver certainly recognizes the need to reduce Federal expenditures and reduce taxes for the betterment of our Nation's economy and future. At the same time, we also recognize that it will not be possible for many States and local jurisdictions to raise taxes to provide for many Federal programs that will have to be eliminated due to the Federal cutbacks. Therefore, we feel vital street and highway programs, such as the continuing development of Federal aid systems, primary State systems and Federal urban systems, might be adversely affected due to the lack of adequate budgets at any level of government. Such a condition could cause grave problems in urban areas such as Denver's due to inadequate street and highway development and maintenance.
>
> Therefore, it is my recommendation that the Transportation Subcommittee do everything within its power to maintain a viable Federal aid program to help cities and States develop and maintain their vital street and highway systems. Speaking for Denver specifically, it must be noted that the city has $100 million of bridge replacement and rehabilitation needs on its Federal aid urban system and $32 million worth of street construction and reconstruction needs. Local capital budgets at this moment are virtually nonexistent due to the fact that we must switch capital funds into our operating budgets in order to supply necessary daily services in this era of very high inflation and rising costs. Further, we do not expect any help from the State of Colorado concerning our street and highway needs as the State's financial problems are similar to ours.
>
> It is hoped that this hearing and your additional review of the subject will bring forth a Federal aid program for city streets and highways that is reasonably adequate so that we can in the future add necessary improvements and provide budgets that will maintain our systems for the safety and welfare of all our citizens. Mobility through an adequate street and highway system is the life blood of the city and the metropolitan area, and thus must be responsibly addressed with appropriate federal aid as well as local moneys.

I would just like to add, of the two bills, S. 841 and S. 1024, we do slightly prefer S. 841, because it is a little stronger financially for the Federal aid to urban systems and bridge rehabilitation, which we feel are the two key things in core cities.

Senator Symms. Thank you very much. Let me ask you one question, you are aware of the fact that the administration is proposing to eliminate all of the funds for the urban system after 1983?

Mr. Cook. Yes, sir.

Senator Symms. If this should happen, do you think that specifically Colorado and Denver would be able to raise the money here?

Mr. Cook. It would be very difficult. The only way we feel we can do it is through a bond issue, and that would have to be put to a vote of the people.

Senator SYMMS. You don't think you could increase the State user's fee?

Mr. COOK. Well, I would hope the State would. As long as you are asking that question, we feel that both the State and the Federal gas tax should be raised and used to maintain a multibillion-dollar system that's going to fall apart if we don't do something. When you consider the price of gasoline having tripled in the last few years, another few cents is a good investment.

Senator SYMMS. So you would encourage the Federal Government to get going in addressing the question of the 4-cents-a-gallon tax?

Mr. COOK. Absolutely, I think that's vital. You are saving pennies to waste billions. Thank you very much.

Senator SYMMS. Thank you very much for your excellent statement.

Our next speakers are, Mr. Jack Kinstlinger, Executive Director of the Colorado Department of Highways, and Mr. J. J. Hewett, Chief Administrator from New Mexico.

I don't know how you want to do it.

STATEMENT OF JACK KINSTLINGER, EXECUTIVE DIRECTOR, COLORADO DEPARTMENT OF HIGHWAYS

Mr. KINSTLINGER. We each have a statement. We see obvious discrepancies about which you might call us to task and ask us to explain.

I am, as you say, the executive director of the Colorado State Department of Highways. I appear on behalf of Gov. Richard Lamm and the State highway commission. I welcome you to Colorado.

I know you are here to learn the special needs of the Western States, and we appreciate your effort on that behalf. I would like to point out there are a number of factors affecting and shaping our environment that make our highway needs somewhat unique.

Our first is that our population growth over the past decade is over 3 percent a year as compared to about 1 percent for the Nation as a whole, and certain West Slope areas and Denver suburban counties have been running 20 percent a year. We have major energy developments, oil, gas, oil shale, coal, which require additional autoways as well as other transportation facilities. We also have long distances, high topography rate differences in annual mean temperature and much snowfall, all of which contribute to the high cost of constructing highways and maintaining highways, and I think that has to be kept in mind.

Also, 35 percent of our land area is owned by the Federal Government, which means that it is hard to widen or improve the State highways without getting permits and various Federal agencies, and frankly those processes are complex, with time-consuming delays, and costly, and need to be streamlined.

We do have a map here and I would like to call your attention to the fact that this is the northwest part of the State, and we show here the location of coal mines, oil shale facilities, uranium facilities, and the two major gaps remaining in our Interstate System, Interstate 70, are right here, so we think it is particularly important to allow us to complete the Interstate System because it serves a vital artery to provide access to those energy-rich areas that will contribute to the national need for additional energy supplies.

I mentioned before the fact that various Federal agencies have different requirements as regard environmental impact statements and the like. We can have DOT accepting our EIS and then another agency requiring different documents, and I think it is high time that Congress impose some discipline on Federal agencies where they don't cause this multiplicity of requirements.

Senator SYMMS. Which agency has caused you the most problems?

Mr. KINSTLINGER. The Department of the Interior, Corps of Engineers. They will not recognize, for example, a DOT approval. They have their own requirements.

Senator SYMMS. What you would like is to have one standard form is that right?

Mr. KINSTLINGER. One standard form or a recognition which Federal agency is the lead agency in a particular project, and then that lead agency requirements would be the ones that would be fully applicable.

With regard to legislative proposals, we do support the interstate completion provisions. Combined with a redefined interstate cost estimate, we do support expanding the 3R program to a 4R program.

We support Senate bill 1024 with the apportionality based 60 percent on lane-miles and 40 percent on vehicle-miles traveled. I am sure you appreciate out here in the West it isn't traffic density so much as lane-miles, climatic conditions, possible sparcely settled population, that forces rehabilitation costs, so we want those allocations to recognize the tremendous miles of road, not so much the vehicle-miles.

We support financing highway substitute projects, the interstate substitute from the trust fund under a contract authority basis, as in Senate bill 1024.

We do have a major interstate transfer program here in Denver which requires much more funding than we have received. We also would like to have continuation of the discretionary bridge program. We have some major viaducts right here in Denver that need major rehabilitation.

We are very anxious that the Congress act this year on highway authorization legislation. We see a possible standoff if the House wants a 1-year base and the Senate and administration want a 4- or 5-year bill. We hope at a minimum we can get a 2-year bill, and perhaps by 1982 consideration for increased gas taxes at the Federal level, which would form the basis for a multiyear bill after that.

Two brief comments on highway safety. We see the efforts as being fragmented at the national level, with Federal highways handling some and the National Highway Traffic Safety Administration handling others. We think that needs to be streamlined. Also the highway safety funds increasingly impose mandates on the State. They tell us where to put the money in many areas that is not where we think the money would be cost effective. We need more flexibility in how the highway safety money is spent.

And, finally, Senator Tillman Bishop from Grand Junction, who couldn't be here today, but who heads our Senate Transportation

Committee, has asked me to address myself to transportation of hazardous materials. He is anxious that in transporting radioactive hazardous materials that there be an opportunity for the shippers to prenotify the States and so that the States can provide systems in routing and in handling mishaps, and he is concerned that with the Federal preemption the States will not receive prenotification.

And, again, I appreciate your coming here and listening to our point of view.

Senator SYMMS. Thank you very much for your testimony. Now, I notice one thing that you mentioned was the State severance tax. What percentage of that is used on transportation?

Mr. KINSTLINGER. Very little. The severance tax primarily goes to the State's general fund and to local communities. Some of it has gone toward road improvements, but we think the tax is low and we think enough is going to highways, and clearly we think that the State legislature should increase the severance tax and devote a large part to highways.

Senator SYMMS. How high is it?

Mr. KINSTLINGER. It is several cents of the price of the minerals.

Senator SYMMS. How much?

Mr. KINSTLINGER. Three, four, five percent, significantly less than some of our neighboring States.

Senator SYMMS. I am surprised. How long has Colorado had that? I'm surprised to hear they even have one.

Mr. KINSTLINGER. We've had it since 1976.

Senator SYMMS. I have considered severance tax to be an antienvironment tax. I'm surprised Colorado has it. We leave a lot of minerals in the ground because of that tax.

Mr. KINSTLINGER. We think it is proenvironment, in that it allows us to provide for the front-end community support systems and road improvements that the energy industry causes.

Senator SYMMS. I understand, but if a mining company gets down close to the end of it, they quit because it is unprofitable.

Mr. KINSTLINGER. We also have laws on reclamation. We are severely impacted by coal train traffic. It is largely Wyoming, California, Texas, and we should be building a lot of overpasses, because many of those trains go through large communities. That's interstate movement, not subject to our severance tax, and we have been hoping that the Federal Government would be able to provide some assistance with the energy impact that's interstate.

Senator SYMMS. Thank you very much. One other question I did want to ask you. Whereas the administration portion for the 4R program relies on lane-miles and vehicle-miles traveled, I take it from your statement that you think weather and other factors should be in that formula.

Mr. KINSTLINGER. No, I'm saying that lane-miles ought to be weighed as heavily in that formula as vehicle-miles of travel. We have many miles of roads over difficult terrain with a lot of seasonal traffic, tourists, for example, but we don't get the heavy day-in and day-out traffic densities of the Eastern States, and I'm afraid they will convince you to put most of that money out on vehicle-miles of traffic where the people are, and I think that will shortchange the Western States.

Senator SYMMS. I think that's a very good point. I'm glad to have that in the record.

How about the gaps? You have mentioned the gaps that you want fixed up, but there is an effort there to give the Secretary authority to be able to demap some segments of the Interstate System.

From a State point of view, what do you feel should be the mechanism, if there should be a different mechanism than that, to reviving any gaps that are left that the Secretary might demap?

Mr. KINSTLINGER. Well, I think the position of the States actually is that is appropriate if it has the concurrence of the Governor. I think that needs to be a joint decision of the Federal and State government.

Senator SYMMS. In other words, you think if the DOT would consult with the Governor——

Mr. KINSTLINGER. Well, I think consultations sometimes are not partnerships, but pro forma if there is a joint signoff, I think that would be appropriate.

Senator SYMMS. Would be appropriate. Thank you very much. We are glad to have your testimony and your entire statement will be part of our record. I appreciate the brevity with which you delivered it. It is an excellent statement.

Mr. KINSTLINGER. Thank you.

Senator SYMMS. Let's hear from Mr. Hewett.

STATEMENT OF J. J. HEWETT, CHIEF HIGHWAY ADMINISTRATOR, NEW MEXICO STATE HIGHWAY

Mr. HEWETT. Thank you. I thought I would keep this as brief as possible. My paper is structured very briefly and I would like to read from that.

There are 72,273 miles of public roads in New Mexico; 18 percent of these public roads or 12,683 miles of rural and urban roads and streets make up the New Mexico State Highway System. This system, comprising less than one-fifth of the total public road mileage, carries more than four-fifths of the total travel in the State. Judicious selection of the State system has enabled the New Mexico State Highway Commission to concentrate on the maintenance and improvement of roads which provide the highest levels of service to both in-State and out-of-State travelers.

I might point out there are many gaps, and our gaps are situated between Sanate Fe and Albuquerque, approximately 24 miles.

Motor vehicle travel does not and should not recognize State borders but should be accommodated with reasonable convenience throughout the Nation. The Department supports the effort which will preserve the Federal highway program which maintains the ability to improve those roads and streets which share the highest burden of service to national and regional travel as well as State travel.

New Mexico supports a continuation of a federally funded program for the timely completion of the Interstate System and gaps thereon including any final stage construction remaining. The program should also provide for the completion of certain projects which have been included in the interstate cost estimate due to a pressing need for increases in the traffic carrying capabilities of the system in the Albuquerque urbanized area. New Mexico needs to complete the system, as reflected in revised table 5 in Committee Print 97-7, Committee on Public Works and Transportation, amount to $305 million. The Department is proposing an accelerated program, which, if approved, will effect an early completion of the system using ACI/State funding.

We feel before the next legislative session we will be asking for an ACI 3-year completion on our gas.

New Mexico supports an expanded 3R-4R program for the Interstate System. The 1980 update of the interstate resurfacing, restoration, and rehabilitation needs study shows that New Mexico has total RRR needs over the 10-year period between 1980 and 1990 of $477.271 million and bridge needs to more than $35 million. The 1981 RRR pavement needs specified in the study amount to $106 million. Federal funds apportioned for the 1981 interstate RRR program amounted to $5.6 million.

The Federal-aid primary system is the most used rural Federal-aid system in the State, carrying 21.9 percent of the total vehicle-miles of travel. 37 percent of the system's 3,900-plus miles are deficient as to condition. A recent needs study placed the construction dollar figure to meet current primary system needs at slightly over $1 billion. The 1981 apportionment to New Mexico was $15.4 million. New Mexico supports expanded Federal funding for the consolidated primary program. New Mexico also supports the continuation of the discretionary priority primary funding program at least at its current level in order to provide for the completion of the connector primary demonstration program between Las Cruces, N.M. and Amarillo, Tex. This demonstration program was established by the Federal-Aid Highway Act of 1978. The State has made a substantial investment in time and funds in this program and considerable public support of the project has been expressed. It is estimated that $450 million will be required to complete the 300-mile portion of this route which lies in New Mexico.

New Mexico supports an aggressive Federal program for bridge replacement. The current estimate of the cost of replacing deficient bridges in the State approximates $92 million. This does not include the cost of bridge rehabilitation and a substantial number of bridges in the State have a sufficiency rating of below 80 and are eligible for this type of improvement. New Mexico's bridge needs greatly exceed available revenues over the next 5 years.

New Mexico supports the continued separation of other rural urban programs. If it is necessary to reduce Federal funding levels in these categories it would appear appropriate to liberalize Federal regulations related to the implementation of these programs and provide for more than State control.

New Mexico supports the consolidation of the existing highway safety programs into a single program or into the other major program categories.

New Mexico believes that quarterly controls of obligational authority unduly restrict the States' letting capabilities. Those States that are able to utilize Federal funds early in the fiscal year should be allowed to do so up to the maximum annual obligational limit. Early lettings may result in substantial savings in project costs.

Mr. Chairman, I thank you for the opportunity to be here and present this paper.

Senator SYMMS. Thank you very much. You have touched on it briefly, but how much impact on the New Mexico road system has energy development had?

Mr. HEWETT. A substantial amount. We are recently experiencing in our primary-secondary system in the northeast quadrant total deterioration of the system due to the accelerated program for the production of carbon dioxide.

Additionally, in the northwest quadrant, we have uranium, oil, and gas. Southwest is copper mining. Southeast is oil and gas, and with the accelerated production of minerals and energy, it is really putting heavy pressure.

Senator SYMMS. It sounds like your system is in trouble.

Mr. HEWETT. That's correct.

Senator SYMMS. If the Federal participation should end on the secondary system, you would be in big trouble, is that correct?

Mr. HEWETT. Yes.

Senator SYMMS. What's the State user's fee on gasoline?

Mr. HEWETT. The user's fee on gasoline, we are getting 8 cents now. We have a rate under the present law that allows us to go to 11 cents maximum.

One of our proposals to the legislature is to free that and let us go to 11 immediately.

The bill was originally conceived to provide for the gradual increase in the cost of gasoline, but it jumped to the maximum. Had we not had that one provision, we would already be at 11 cents.

Senator SYMMS. I forgot to ask—maybe Jack could answer—what is it in Colorado?

Mr. KINSTLINGER. It was 9 cents a few months ago.

Senator SYMMS. You said you raised it 2 months ago, but I forgot to ask where that put it. So it is 9 cents in Colorado and in New Mexico?

Mr. HEWETT. Yes.

Senator SYMMS. It was brought to my attention earlier in the day there is a point where the public stops using gas just in the general pricing and, of course, user's fees are part of the overall price the consumer pays. Is there a point there where it is raised too much that we get less revenue?

Mr. HEWETT. Mr. Chairman, in New Mexico I don't think we have an indication that would occur. We haven't experienced that. The price of gasoline it seems in the middle of the week will go down to $1.22 and on weekends when the people and tourists come in it jumps up to $1.27, so there doesn't seem to be any appreciable difference.

Senator SYMMS. You mentioned you have a lot of problems with your bridges. In the administration's formula on bridges the cost per square foot to repair or replace bridges is estimated by each State, and that varies from some $30 I think to $100 per square foot, but does this encourage cost-efficient construction?

Mr. HEWETT. I would suspect it does. I don't know what that basis for square foot is based on. I think that's a nominal-sized structure in it. We don't have except for the few crossing the Rio Grande that the cost figure might not be that.

Senator SYMMS. So you think it does encourage cost-efficient construction.

Mr. HEWETT. I think it does.

Senator SYMMS. Thank you very much for your excellent testimony. I appreciate your brevity.

Mr. HEWETT. Thank you, Mr. Chairman.

Senator SYMMS. Is the Wyoming Highway Department superintendent, Mr. Leno Menghini, here?

Mr. MENGHINI. Present.

Senator SYMMS. Do you have copies of your testimony?

Mr. MENGHINI. I sure do. I have 35 copies.

Senator SYMMS. If our staff could get them, you go right on.

STATEMENT OF LENO MENGHINI, SUPERINTENDENT AND CHIEF ENGINEER, WYOMING HIGHWAY DEPARTMENT

Mr. MENGHINI. I am Leno Menghini, superintendent and chief engineer of the Wyoming Highway Department. I am pleased to have this opportunity to present our views on Wyoming's transportation needs and the future Federal-aid highway program.

Wyoming, like other Western States, has an extensive road system with a relatively small population to support it. Although it is the ninth largest State, its population is the second smallest. The need for an extensive road system is based on the following characteristics:

One, Wyoming is a main link between densely populated and industrialized areas of the country. As such, commercial trade relies heavily on our highways to move their commodities.

Two, our State is well known for its national parks and forests, its summer and winter recreation facilities, and its many landmarks tied to the early history of the West. Each year hundreds of thousands of tourists come to Wyoming to discover the abundance of natural and historic resources we're proud to possess.

Three, Wyoming is still largely an agricultural State, with much of its population located on farms and ranches. Roads are essential to get their products to market, and to provide the supplies necessary to carry on their operations.

Four, with increased national emphasis on developing energy resources, Wyoming, with its vast quantities of accessible minerals, is responding to the challenge. Consequently the demand for better transportation facilities to continue energy development has become a major factor in the State's highway requirements.

Five, because of energy development, Wyoming has suddenly become one of the fastest growing States in the region. This has caused an increased demand for highway improvements which otherwise would not have been necessary.

The impact of energy development has significantly increased the rural and urban highway transportation needs in Wyoming. Not only are the development areas affected, but also mainline and auxiliary facilities within the proximity of transportation corridors leading to and from the development areas. The ability of the highway department to deal with these needs under current funding levels is very limited. At a time when highway user revenues are beginning to decline because of energy conservation measures, the

State is being called upon to provide new or improved highway facilities that are needed because of increased energy production.

The department's latest needs analysis shows that of the 5,800 miles of the primary and secondary systems in Wyoming, there are 2,650 miles that are presently deficient. They are below minimum tolerable conditions and need some immediate attention. Another 1,829 miles will need improvement between now and 1999. On the Federal-aid secondary system 222 miles of new roads are needed. These are not presently on the State highway system.

Included in the primary and secondary needs are 168 bridges that are structurally inadequate or functionally obsolete. Of this total, 56 bridges are too weak to handle maximum vehicle weights and have restricted weight limits. The posting of low weight limits on bridges as a safety precaution often required farm trucks, school buses, and other heavy vehicles to go miles out of the way to use other bridges. The result is time and fuel wasted and higher vehicle operating costs. In addition to the primary and secondary bridges, there are 643 county bridges not on the Federal-aid system that are also deficient or obsolete.

The condition of the roadway of the Interstate System also presents a problem of growing concern. A recent study showed that 662 miles of completed Interstate highways in Wyoming will need resurfacing, restoration, or rehabilitation over the next 20 years (work required beyond regular maintenance) to preserve the system at a high level of serviceability. Without such improvements pavements will break up, potholes, patches, and shoulder dropoffs will appear, and roadways will be unable to carry the loads required of them. Present funding levels fall far short of the amount needed.

Many cities in Wyoming are experiencing severe problems at railroad grade crossings as unit coal haul trains continue to increase. Some of the problems include vehicle and pedestrian safety, emergency vehicle delay, delays in traveling to and from work and school, delays in personal business, and social travel. Railroad separation structures both on and off the State highway system need to be built at 22 locations around the State.

A critical funding need exists for supplementing the urban system program for key improvements off the State highway system. High priority projects are located in Casper, Cheyenne, Cody, Gillette, Lander, Laramie, Rawlins, Riverton, Rock Springs-Green River, Sheridan, and Worland. Fifty projects covering 75 miles of roadway are involved in these urban area needs. Funds are not presently available under existing programs for this work.

The Federal-State partnership in highways has functioned well over the years, and should remain in place. There is clearly a national interest in having a system of interconnected highways, to assure that people and commerce can move freely among the States. That system obviously includes the Interstate System. It also includes primary highways, and in many instances elements of the secondary and urban highways as well. There should also be a continuing Federal interest in helping to solve the bridge problems faced by State and local governments.

We support the various proposals now before Congress which would sharply reduce the number of Federal-aid categories, preferably to no more than six. This would make the overall Federal-aid program easier to administer. A major feature of the future Federal-aid highway program should be the ability of the States to more freely transfer money from one program to another, especially between the two interstate programs, so that the best possible use of available funds can be made. Existing matching ratios should not be reduced.

We urge immediate approval of the interstate cost estimate so as not to disrupt the orderly and timely completion of this program. We support those provisions which would redefine interstate completion and continue the transition to a postinterstate construction program by expanding the current resurfacing, restoration, and rehabilitation [3R] program to include reconstruction [4R]. Increasing the 4R program authorization to $800 million in fiscal year 1982 is a step in the right direction but that level of funding is still inadequate to assure continued serviceability of the Interstate System. We oppose any proposal which would eliminate the minimum one-half of 1 percent apportionment of interstate funds because Wyoming would lose approximately $9.3 million of interstate funds each year. Such a loss would seriously impede our ability to complete essential gaps.

Proposed changes in the apportionment formula for the interstate 4R program reflect increased emphasis on vehicle miles of travel on sections in use over 5 years. Large rural States like Wyoming have smaller amounts of vehicle miles traveled but have substantial interstate 4R needs. Added weight given to the VMT factor would favor urbanized States. Any changes in the apportionment formula should be equitable to all States.

With respect to the primary system, the needs on this system are outstripping available resources. In this connection we support provisions which would increase authorizations for the primary system. We recommend the same for the secondary and urban programs recognizing that current funding levels fall far short of meeting actual needs.

We have noted with concern the proposals to discontinue the secondary and urban programs. These two important Federal programs should not be terminated because local governments simply do not have the resources to do the job.

Adequate funds are simply not available for the bridge program. Wyoming's apportionment for fiscal year 1981 was $2.3 million of which 15 percent or $348,000 was earmarked for off-system use. Under these funding levels, we are unable to meet bridge replacement and rehabilitation needs both on and off the Federal-aid system. In Wyoming, some of our most critical needs are on local county roads.

The 1978 Surface Transportation Act requires the States to inventory off-system bridges every year. Our first years cost for this inventory amounted to $625,000 which is almost twice the amount of money available for off-system use. If future annual costs are similar, all available funds will be spent on inventories rather than actual bridge replacements.

In the safety area we see a continued need for Federal assistance. However, it is our position that safety work should be done under the regular program categories. Such an arrangement would provide maximum flexibility and aid in reducing the number of funding categories.

We favor the extension of the highway trust fund indefinitely. We also support an increase in revenue sources to keep pace with inflation. The need for an increase is demonstrated by the fact that 20 years ago the 4-cent gasoline tax amounted to approximately 13 percent of the price. Today this tax is only about 3 percent.

We generally endorse the AASHTO recommendations for the future Federal-aid highway program which are contained in the document entitled "A Program for America's Highways in the 1980's". We favor the enactment of a multiyear highway program, supported by adequate revenues. A 4- or 5-year measure is the minimum necessary for program planning and project development.

At various times in the history of the Federal-aid highway program, controls have been placed on highway spending. These limitations are actions to control the obligation of contract authority granted by Congress. The highway program experienced extensive control during the period from November 1966 to April 1975 when the executive branch limited the rate at which Federal-aid highway funds were obligated in order to control inflation.

The Department of Transportation Appropriation Act for fiscal year 1981—Public Law 96-400—limits obligations for Federal-aid highways to $8.75 billion. Under this act, the Secretary of Transportation has been given the authority to control the obligation limitation by distributing 80 percent of the limitation among the States by formula and the remaining 20 percent on a first-come-first-served basis on or after August 1, 1981, to States that have obligated all of their shares of the 80 percent allocated to them.

We understand that the conference committees of Congress have agreed to set an obligation limit of $2.8 billion for fiscal year 1982 and between $8.6 and $8.8 billion for fiscal year 1983. These limits will be even more restrictive than the one set for the current fiscal year.

Obligation limitations have hampered project planning and programing to the point where our ability to carry out the highway program in an orderly fashion has been seriously impaired. Project delays and schedule changes have become the order of the day and have taken place at a time when construction costs have risen at unprecedented rates. Not only are the internal operations of the highway department affected, but also contractors and supporting industries.

We oppose any legislation or executive actions which limit the States from obligating the full amount of apportioned funds during any given fiscal year.

Being a bridge State, Wyoming is crossed by a tremendous amount of interstate trucking. As a result, we are witness to the difficulties created by the nonuniformity amongst States in laws governing allowable truck sizes and weights. This incompatibility leads to problems involving enforcement, administration, energy conservation, highway maintenance, and hazardous traffic mixes.

Of particular importance is the unrealistic weight restriction placed on the Interstate System. Unless grandfathered, the restriction is 80,000 pounds; much less than the 101,000 pounds allowed on our primary and secondary road systems. As a result, larger truckloads are required to travel roads inferior to the Interstate System, thus resulting in premature road failure, circuitous routing, safety hazards, and needless energy consumption.

Wyoming supports the AASHTO position on the section 13(c) labor warranty regulation. Wyoming statutes prohibit the State from accepting the financial responsibility as required by the Department of Labor. Consequently, the State has attempted to pass this responsibility down to local public bodies, some of which have also been prevented from accepting this requirement because of local constitutions and charters. As a result, the growth of the Federal transit program has been slow.

For those areas of the highway program that have compliance requirements—such as the 55-mph speed limit—we recommend incentives instead of sanctions. Sanctions tend to be counterproductive in achieving an effective overall highway safety program because withheld moneys deprive the traveling public of needed road improvements.

Regulatory mandates imposed by the Federal Highway Administration and other Federal agencies are very costly, time consuming, and generally do not improve the quality of construction. Some mandates are quantifiable but a big impact, as we see it, is an average delay in the development of a project by about 1 year. Relating this to a $146 million annual construction program, a 1-year delay at a 10-percent inflation factor, would mean a loss in purchasing power of approximately $15 million. This is certainly a sizable amount of money for a State like Wyoming.

I thank you for the opportunity to submit this statement and commend the subcommittee for taking time to hear and receive the views of those officials and citizens concerned with the future of our transportation systems.

Senator SYMMS. Thank you very much for a very excellent statement, and I want to ask the same question I asked about the bridge problem again. Do you think that the way the formula is, where there is such a variation on the cost per square foot, that it encourages or discourages the cost-effectivenes of bridge construction? You get more money, in other words, if you spend more money.

Mr. MENGHINI. Well, our problem is just not enough money, I can't relate to the cost per square foot you mentioned or asked the previous speaker.

Senator SYMMS. What I asked is the formula called for in the administration's bill is based on the cost per square foot of bridge construction. In other words, the State that spends more to build bridges get more. What I am wondering is if that discourages cost-efficient construction. I'm wondering what is your State's point of view.

Mr. MENGHINI. Well, we will design the bridge according to adequate design standards over many, many years. The problems we have, again, are not enough money and also the fact that the bridge replacement monies apply only to the bridge itself and not to approaches to the bridge. Many times, because of circuitous alinement of approaches to the bridge, we have quite an investment in a relocation of these bridges.

Senator SYMMS. Well, the previous gentleman from Colorado mentioned that their State was having trouble with the Department of the Interior when they go through Federal lands. The administration bill would transfer responsibility for many of the Federal lands, roads and trails to the Department of the Interior. Are you for or against this?

Mr. MENGHINI. I'm not sure I'm understanding this.

Senator SYMMS. Do you think you would prefer that DOT transfer the responsibility for the design of the roads and trails to the Interior Department or would you prefer to have it remain with DOT? Colorado testified they would prefer to have the DOT the lead agency.

Mr. MENGHINI. We would likewise like to have DOT assume this responsibility.

Senator SYMMS. Are you having trouble getting permits to get through Government lands in Wyoming?

Mr. MENGHINI. This is in this regulatory mandate, we are having problems.

Senator SYMMS. What are you, 40 percent Federal owned and Federal——

Mr. MENGHINI. It is more than that.

Senator SYMMS. In Colorado I think it is 35, they said. Wyoming is more than 40?

Mr. MENGHINI. I think so.

Senator SYMMS. We have over 64, so that's a nightmare.

Mr. MENGHINI. One more thing on bridges, Mr. Chairman.

Senator SYMMS. Yes.

Mr. MENGHINI. We do have a problem with off-system bridges, not enough money. There is a minimum of 15 percent allocated for off-system bridges. This amounts to something like $350,000, barely enough to do one structure per year. Up to this point, we have been involved with the requirement of inventory. We do have them all inventoried at a cost of $625,000. The requirement is to conduct an annual inventory.

Now, if we are required to update this inventory annually, not at the cost of $625,000, but I would assume at some cost around $250,000, we would be spending all of our money inventorying and not any in the actual replacement of the bridges.

Senator SYMMS. I thank you very much for very excellent testimony, and I assume that some of those bridges that you are talking about are in energy-producing areas that are necessary to feed the system as far as the nation's energy needs are concerned, is that correct?

Mr. MENGHINI. That is correct, sir.

Senator SYMMS. How about the 4R program? You testified you support that. Are there any other factors that you think should be included in the Interstate 4R program?

Mr. MENGHINI. We are similar to Colorado. We have a large State, not many vehicle miles but certainly lane miles. We would endorse adequate primary factors to use in ours.

Senator SYMMS. And what percentage of your severance tax is used for highway construction, transportation?

Mr. MENGHINI. We have three or four different severance taxes. Recently enacted this last March was a 2-percent severance tax on oil and gas, of which one-third is dedicated to the highways.

Senator SYMMS. How high is that severance tax?

Mr. MENGHINI. Total severance tax on all minerals?

Senator SYMMS. Yes.

Mr. MENGHINI. I would say it is approaching 20 percent on all minerals. We are having severance tax on coal, severance on uranium, plutonium and severance on oil and gas, part of which is all dedicated to highway improvement.

Senator SYMMS. What percentage?

Mr. MENGHINI. Of the oil and gas recently enacted, one-third of a 2-percent severance tax. We have a full 1-percent severance tax on coal. We have 60 percent of a 2-percent sales tax on coal and uranium.

Senator SYMMS. Does Wyoming have the highest severance tax in the country?

Mr. MENGHINI. No, sir, I believe Montana does.

Senator SYMMS. I've always thought that severance taxes were potentially antiproductive. I would rather see taxes on profits. It is like that windfall profit tax. It is just a severance tax on productivity and you just increase the cost to the consumer ultimately, but it is popular in the Western States. As a Westerner, I am concerned about it personally and wonder what kind of response we may end up with from the rest of the country. I hope we can work that out.

Thank you, very much for your excellent testimony. I appreciate having the input of the States.

Mr. MENGHINI. Thank you very much.

Senator SYMMS. We appreciate hearing from the States, and now the counties. Please go right ahead.

STATEMENT OF CHARLES HUCKELBERRY, DIRECTOR, PIMA COUNTY DEPARTMENT OF TRANSPORTATION

Mr. HUCKELBERRY. Thank you, Mr. Chairman. I am the director of the Pima County Department of Transportation and Flood Control District in Pima County, Ariz.

As background information, Pima County is one of the 14 counties of Arizona. I will speak to but three principal issues which concern in particular Pima County and in general all of the counties.

The first issue is the priority primary program. S. 1024 and S. 841 deletes certain provisions of the Federal-aid priority primary program. This deletion abandons Pima County in the middle of developing the singlemost important highway project in the Tucson metropolitan area. This project is known as the Kolb corridor. It was one of seven original projects named in the Transportation Assistance Act of 1978. It provides for the extension of Kolb Road through Davis Monthan Air Force Base, connecting the dense urban area of Tucson to the rapidly expanding high technology area. This route has many problems. Because of rapid population growth, providing urban infrastructure, particularly highways of regional importance such as those in the Kolb corridor, has become nearly an impossible task for local governments in Pima County. The present cost of implementation is over $55 million. The population has increased in Pima County from 350,000 in 1970 to 531,000 in 1980 and is expected to be over 700,000 in 1990. This is one of the fastest growing metropolitan areas in the country today. Almost all this population growth has been as a direct result of national migration.

The present systems of apportionment formulas are inflexible and do not really help rapidly expanding urban areas such as Pima County. Pima County is not asking for Federal assistance to resolve a longstanding local transportation problem. The citizens of Pima County have pretty much taken care of those problems. In the last 2 years they have collectively incurred the largest general obligation debt in the State of Arizona by approving two bond issues for $110 million.

In fact, one of the elements of this bond issue, which passed by over a two-thirds margin, was to provide $18 million of local matching money to supplement improvement in the Kolb Corridor through the use of Federal priority primary funds. To date, we have spent over $1 million in 4 years in bringing the Kolb corridor through the mandated Federal highway development process.

At a time when we cleard the last hurdle in our proceeding toward construction of the Kolb corridor, you were contemplating the priority primary program. Without this program, we can't start, and we obviously can't complete the Kolb corridor. We ask that you at least consider continuing the program until those originally named projects are constructed.

With respect to the interstate substitution program, Pima County and the city of Tucson jointly withdrew a segment of the interstate known as I-710, making Pima County and the city of Tucson eligible for funding from the interstate substitution program.

We've also gone through the mandated Federal highway development process on our construction on the improvements to be made to the regional transportation system.

To the extent that interstate substitution funds become more available by funding from the highway trust fund rather than the general fund, Pima County supports that move.

With respect to the urban and rural/secondary programs, as vice president of the Association of County Engineers, we feel that it is unacceptable to delete the urban and rural/secondary program as proposed in the administration's bill. We think that the Senate's proposed bill is much more prudent in recognizing that there is some Federal role in the urban and rural/secondary programs.

We don't know, there has been a lot of talk about what is the minimum match. We think that the minimum shoud be that as posed in the Senate version of 50 percent.

Before I close, I would like to make one general comment on obligation limitations. I think that the obligation limitations that are contained in this bill and in previous bills are actually a double—they do a double disservice to the highway taxpayer, because they simply delay highway improvements and they cost the users first a more out-of-pocket cost, and the fact that they incur congestion, unsafe highways, and driving on obsolete facilities longer. Second, that because ultimately the facilities will be constructed, they pay more because the implementation costs simply increase as a result of monetary inflation. So, therefore, I think it would be appropriate to reconsider the continuation or extension of obligation limitations in your bill. Thank you.

Senator SYMMS. Thank you very much. I suppose it varies from State to State, but as a county official do you believe you have enough opportunity in Arizona to work with the State on planning projects just like the Kolb corridor project?

Mr. HUCKELBERRY. We have worked very closely in the State of Arizona with the State government.

Senator SYMMS. Then the State considers this an equal priority with the county?

Mr. HUCKELBERRY. The State considers the No. 2 priority highway improvement in the State of Arizona.

Senator SYMMS. Are they willing to increase their revenue if there is a reduction of the Federal revenue?

Mr. HUCKELBERRY. Considering the fact that the State of Arizona receives $17 million a year primary funds and their first priority is for the Superstition Freeway in Phoenix, it will take a long, long time before Pima County ever sees a dollar of State funds.

Senator SYMMS. You are No. 2 on the list behind a big No. 1.

Mr. HUCKELBERRY. Absolutely correct.

Senator SYMMS. Now, what revenue does the county provide if the Federal share is reduced? You mentioned 50 percent as the bottom dollar, but let's say it were reduced even more.

Mr. HUCKELBERRY. In major projects of reasonable significance, such as the primary projects, those are very expensive, the local share cannot be increased very much over what it is today, in the 10-percent range. In the area of secondary and urban funds, I think the municipalities and the local governments could live with 50 percent.

Senator SYMMS. Thank you very much. I appreciate your coming up to Denver today and appreciate your input.

Now, we want to hear from William Thornton, Denver Regional Council of Governments.

Mr. THORNTON. Thank you. Senator Symms, members of the committee, I think you have copies of my remarks.

Senator SYMMS. Your statement, as all statements, will be printed in our record, so you may proceed.

STATEMENT OF WILLIAM THORNTON, MEMBER, DENVER REGIONAL COUNCIL OF GOVERNMENTS

Mr. THORNTON. Thank you. Mr. Chairman, members of the subcommittee, I am William Thornton, mayor of the town of Bow Mar, Colo., and a member of the Denver Regional Council of Governments. I appreciate this opportunity to provide testimony regarding Federal-aid highway program needs in the Denver region.

DRCOG is a voluntary association of 42 cities and counties in the Denver metropolitan area, established pursuant to the laws of the State of Colorado to promote intergovernmental cooperation and carry out regional planning activities. We represent approximately 1¾ million people.

With regard to transportation, DRCOG had been designated by the Governor as a metropolitan planning organization, pursuant to section 134 of title 23. Policy for the organization is established by a council of local elected officials from each of our member governments. On transportation matters, this council is advised by a transportation committee composed of representatives from our regional transportation district and State highway department, as well as elected officials from the council. In its capacity as a metropolitan planning organization, DRCOG carries out annual transportation planning programs designed to meet local needs and requirements, as well as respond to Federal objectives. In the course of discharging its responsibilities, the council has been intimately involved in programing decisions concerning the local expenditure of Federal highway and urban mass transportation funds. This experience includes allocation of Federal-air urban system funds to the suburban Denver area since early 1974, leadership in the withdrawal of the former Interstate 470 and the transfer of those funds to other projects, the selection of interstate substitution projects, and annual preparation and adoption of a 5-year TIP.

Within the context of this experience, DRCOG wishes to address itself to a number of issues being considered by the subcommittee.

The interstate transfer program has provided the Denver region with the opportunity to utilize funds originally earmarked for a single facility to support 12 separate projects designed to improve highway and public transportation mobility in the metropolitan area.

DRCOG urges the Congress to enact highway legislation which provides for funding of highway-related interstate transfer projects from the highway trust fund rather than from general funds. In addition, we urge the subcommittee and Congress to carefully examine the level of Federal commitments to interstate transfer projects nationally and provide appropriations at a level sufficient to honor these Federal commitments. At the time local governments in the Denver area acted to transfer Interstate 470 funds, they did so with the understanding that the Federal Government would live up to its commitments to fund interstate transfer projects.

Perhaps the most important Federal-aid highway program to local governments in our region is the Federal-aid urban system program. Since inception in 1973, DRCOG has allocated approximately $25 million to needed highway projects in the suburban Denver area. An important aspect of this program is that it is the only Federal-aid highway program in which local government officials have the opportunity to select and prioritize the projects that they believe to be necessary and appropriate on a regional scale.

Local governments in the Denver metropolitan area support this program and urge its continuation. The Denver region is a rapidly growing and expanding area. Much of this expansion is a direct result of the private sector's response to the Nation's energy needs.

DRCOG, therefore, strongly supports the continuation of the Federal-aid urban system program and maintenance of local governments' ability to select the projects for construction. Further, we urge that adequate funding levels be provided to this important program.

Regarding funding levels, we are particularly concerned that since the inception of the program in 1973, the total appropriation for the program has remained relatively constant despite the significant inflation that has taken place since that time. In addition, we are deeply concerned that local match requirements would be substantially increased under Senate bill 1024.

The majority of our local jurisdictions would have great difficulty raising adequate revenue to meet a 50-percent match requirement. If a 50-percent match requirement is, in fact, finally approved, we then ask the Congress to consider further modification in the program to allow local governments the opportunity, where the capacity exists, to process and construct their own projects to standards in line with the nature of the local project rather than to current rigid Federal design standards.

DRCOG has carried out an active program to encourage carpooling and other forms of ridesharing since 1975. A major focus of these activities has been the provision of a carpool matching service for use by individuals and employers from throughout the region.

It is estimated that in 1980 alone the DRCOG carpool program has saved an estimated 85,000 vehicle miles of travel per day or 22.1 million miles per year. This savings translates into 1.6 million gallons of fuel saved per year and an estimated reduction in air pollution of 7.1 tons of carbon monoxide per day.

DRCOG's ride-share program has been carried out largely through allocation of Federal-aid urban system funds by the local governments of the region. As highway needs in the metropolitan area increase annually, even the relatively small amounts earmarked for ride-sharing services become problematic. With increasing pressures on Federal-aid urban system funds, financing of ridesharing activities cannot continue indefinitely. Other means of financing this important program will be necessary. Therefore, the Denver Regional Council of Governments encourages the subcommittee to consider mechanisms for providing continuing support to this necessary and worthwhile endeavor. Encouraging ride-sharing responds directly to Federal energy and air quality objectives and thus it is appropriate for the Federal Government to support this important alternative means of transportaiton. We encourage the committee to examine the benefits attributable to ride sharing and provide a continuing base of support for local ride-sharing programs.

As noted earlier, the Denver Regional Council of Governments is a designated metropolitan planning organization under section 134 of title 23. Since designation we have found this process to be an important and significant mechanism for involving local general purpose governments in transportation planning and programing. Prior to DRCOG being designated an MPO, the local governments in the Denver region had little opportunity to work as equals with our State highway department and public transportation agency. The MPO planning process has provided us with an opportunity to enter into direct dialog and negotiation with those entities regarding transportation facilities and services that will serve local governments we represent. We are encouraged that the Senate bill does not alter section 134. We strongly believe that the MPO process is a vital element in transportation decisionmaking and has been the mechanism for allowing local elected officials to jointly plan and set the transportation priorities they believe to be most beneficial to their region.

I appreciate the opportunity to testify today before this subcommittee and present to you some of our concerns as an organization of local elected officials and the metropolitan planning agency serving the Denver region.

Senator SYMMS. Thank you very much for an excellent statement, and the questions I was expecting to ask you I think you have well answered in your statement. About the MPO, you think that's been a good thing?

Mr. THORNTON. Been excellent.

Senator SYMMS. And I take it from your statement you also think that Federal participation is necessary for the urban Denver area?

Mr. THORNTON. The FAS program particularly so. It has been a vehicle that's brought local governments together in cooperation more so than many of the other actions undertaken.

Senator SYMMS. Thank you very much. I appreciate your testimony.

Now, we will hear from Rick Meter from the Nebraska Association of County Officials and Nebraska Association of County Engineers. Is that pronounced right, Rick?

STATEMENT OF RICK A. METER, NEBRASKA ASSOCIATION OF COUNTY OFFICIALS

Mr. METER. Yes. My name is Rick Meter and I am the county highway superintendent for Scottsbluff County, Nebr. I am appearing here at the request of the Nebraska Association of County Officials, which is an organization that represents the 93 counties in Nebraska.

Senator SYMMS. How does your association get along with your Governor over there?

Mr. METER. So far it has been give and take.

Senator SYMMS. Good. If you run into him, tell him hello. I used to sit next to him on the House Ag Committee.

Mr. METER. OK. I'm also appearing on behalf of the Nebraska Association of Highway Superintendents and Engineers. Our major objective, which we wish to impress upon the committee, is that the Federal-aid secondary moneys are extremely important to the State of Nebraska and that the Nebraska Association of County Officials feels very strongly that the Federal-aid funding should be continued. These feelings are based upon the following facts and figures which were made available by the Nebraska Department of Roads Planning Division.

There are 89,356 miles of public road within the State of Nebraska that are outside the jurisdictional limits of any municipal corporation. The breakdown as to these miles are as follows: Total State highway 9,397; total Federal Interstate System 483; total county Federal-aid secondary 9,114; total off system 70,362.

I think at this point I should emphasize that the county Federal-aid secondary system and the off system mileage are basically farm-to-market roads whose condition would have an impact that could be felt across the Nation. We feel that the national importance of these farm-to-market roads should not be underestimated.

Indicative of the demand for Federal moneys for secondary roads in Nebraska, is the fact that there are currently 149 projects either ready for construction or in planning stages which are eligible for Federal-aid secondary funding. We are told at this time that estimated costs would consume almost 10 years of our Federal-aid secondary funding, if it were maintained at the existing levels. This does demonstrate the demand and need undoubtedly exist. The bulk of these programed projects are large ones, that is, expensive undertakings and could only be completed with local funding with great hardship. Under the Federal-aid funding system the counties are able to save up a 2- to 3-year allotment from Federal-aid and in that same length of time save the local match required. By this means we are able to do a sizeable project which otherwise might have to be eliminated to the detriment of the traveling public.

While most of the 9,114 miles of Federal-aid secondary roads in Nebraska are in good condition now, indicating that we have spent considerable amounts of money and effort to upgrade and maintain them, they are going to wear out like all roads do. When the surfacing begins to deteriorate, coupled with the lack of Federal-aid funds available to us, there is a very good chance that the lcoal funds may not be available to resurface them. Consequently some of the money we've already invested in the system may not have been used in the best interest, as many of the secondary system roads could revert back to a gravel maintained network.

We think at least within the State of Nebraska, there is an interesting comparison that should be made based on the vehicle miles actually traveled on all systems. The county Federal-aid secondary network carries 638,000,000 miles per year. The State highway system carries 3,870,000,000 vehicle miles per year. The rural interstate system carries 1,338,000,000 vehicle miles per year. The vehicle miles on the off-system network are equal to 1,456,000,000 vehicle miles. The point to be made is that at least within the State of Nebraska, 8.7 percent of the Federal gas tax generation occurs on the county Federal-aid secondary system. Another 19.9 percent of this tax generation occurs on the off systems road network. This would indicate at least within Nebraska, that approximately 28.6 percent of the total Federal gas tax generation occurs on the county Federal-aid secondary system and the off-system network. It is felt since these road networks are tax generators there should be some type of apportionment retrun back to those roads for the tax generation that occurs in those areas.

While we would prefer a Federal-aid share that is at least equal to the current, we would see a workable solution in reduction of the current cost sharing of 75 percent Federal/25 percent local to a 50/50 cost-sharing basis. We understand the philosophy that the local government may need to contribute more money and we also understand that this would help stretch the availability of the Federal funds.

We therefore feel that Senate bill S. 1024 overall funding levels for the rural program would be far superior to the S. 841 administration bill, if equitable methods of distribution to the subdivisions responsible for the existing Federal-aid secondary system and the off-system network could be arrived at.

In closing we wish to thank the committee for the opportunity to give input on this critical legislative problem and would hope that due consideration would be given to points made in this testimony.

Senator SYMMS. What would happen in Nebraska to the off system bridges if the priority is given to all on system? How many bridges are off system?

Mr. METER. I do not have any State figures—at least within our county, approximately 80 percent. Of that 80 percent, if you take into account obsolescence, the whole ball park, probably about 31 percent of those meet today's current standards. We probably have about 35 percent that are actually structurally deficient.

Senator SYMMS. What about environmental requirements that you are forced to conform with? Which ones present the biggest problems on secondary system projects?

Mr. METER. Environmentally, we are not bothered on the bulk of the programs.

Senator SYMMS. Do you have enough overall flexibility?

Mr. METER. Yes, we do. As a matter of fact, the State of Nebraska, I think, has a little bit better system than most States. They automatically apportion 50 percent of their funds and they are very liberal about allowing us pretty much what we want to do.

Senator SYMMS. I suppose the farmers pretty well dominate the legislature?

Mr. METER. Yes, they do.

Senator SYMMS. This is not part of the highway question, but I will just ask you, is the corn crop really as good as USDA says it is?

Mr. METER. It looks pretty good. We have gotten some pretty good moisture.

Senator SYMMS. My father is a farmer and so am I, but he says if we could get the USDA to quit putting out the optimistic reports, we might break even.

Mr. METER. I might say on the gas tax, what it amounts to is 11½ percent.

Senator SYMMS. What about gasohol?

Mr. METER. They get 5-percent reduction and also a 2-percent variable, so it averages between 13.6 and 2.9. What happens is the department of roads gets all the variable, 2-percent variable. The city and county split 1 penny of the 11½ cents. The 10½ cents is split between the counties and cities. The latest projections are down about 4.8. These projections were when gas was at its highest point. We are not quite sure of any revised projections since the price is coming down, but our revenues are down 4.8, including the increases.

Senator SYMMS. Your revenues are down by how much?

Mr. METER. About 4.8 on the Nebraska gas tax.

Senator SYMMS. About 4.8 percent?

Mr. METER. Right.

Senator SYMMS. Is there any plan in Nebraska to eliminate the exemption for gasohol?

Mr. METER. There has been a lot of discussion on it.

Senator SYMMS. How much gasohol is used out there?

Mr. **Meter**. That's a figure I really don't have. I think that at this point it is under 10 percent.

Senator **Symms**. Thank you very much for an excellent statement. We appreciate your being here, and while we are at it, I didn't ask the question, but is the gentleman from Arizona still here? What's the tax in Arizona?

Mr. **Huckelberry**. It's 19.6 cents a gallon. It just went up by recent legislation enacted about 2 weeks ago, and in 1 year it fixes to 8 percent.

Senator **Symms**. It takes it to 8 percent of the sale price of gasoline?

Mr. **Huckelberry**. That's correct.

Senator **Symms**. Thank you very much. Terry Harris, Colorado Counties, Inc.

STATEMENT OF TERRY HARRIS, CHAIRMAN, TRANSPORTATION COMMITTEE, COLORADO COUNTIES, INC.

Mr. **Harris**. Thank you, Senator. Colorado Counties, Inc. is an association of county commissioners, and I am Terry Harris, chairman of the transportation committee of that association.

I appreciate this opportunity to testify on behalf of the counties of the State of Colorado concerning a few of our transportation and highway issues.

A majority of the Colorado counties are experiencing extreme pressures on our highway and road programs. This is largely due to inflation, lack of revenues, energy development impact, and of course the growth in our State. As you may be aware, most counties in this State have very few sources of revenue. We do not enjoy revenues from such things as sales tax, income and severance taxes, et cetera, but we must rely basically on the user tax the State chooses to give us and on local property taxes. As a result, it becomes difficult for county government to meet the transportation needs.

With this as a background, I wish to encourage you to consider a few specific issues today. First, we strongly urge you to continue to fund the off-system bridge replacement program with at least a 35-percent allocation.

I believe the gentleman from Wyoming mentioned a minimum of 15 percent. We enjoy the maximum in this State of 35 percent, through the good graces of our State Highway Commission.

I believe that the bridges in the county are literally falling down. I quote Senator Mark Andrews, in a recent statement, where he said,

> You can have all the Interstate highways you want, but unless there are good bridges and secondary roads, there is no way to take the 40-ton loads of grain that have to be moved to the markets. The condition of rural bridges is one of the saddest transportation problems.

We in Colorado are soon to complete our bridge inventory program, and to give you an idea of our problem, the inventory as of today, in the latest information that I have, indicates that out of the some 4,000 bridges that exist in all of our 63 counties, only 26 percent have been inventoried today. However, just that 26 pecent shows a safety compliance cost of approximately $75 million. Now, that figure alone, by our terms, is astronomicaly beyond our funding capability, and I suspect this is true across the country, particularly in the Midwest and West.

One of our complaints I wish to bring to your attention in this program is the stringent Federal guidelines on construction. We need a relaxation of those guidelines, or at least some variance procedures for certain applications. I can testify to you here today that we in the counties can construct a safe and efficient structure meeting the local requirements that will do the job at a much less cost than that structure under such stringent guidelines.

In many cases, those guidelines promote waste. I can indeed tell you that in many cases throughout our counties, these Federal requirements are questionable, and, really, Senator, down in our level of county government, it actually becomes a joke. I have seen many local government entities simply take the attitude that they cannot afford to take the Federal dollar.

We also urge you to continue funding the secondary system and the urban system in the future. We fear in Colorado that if the secondary system in particular is discontinued, it will place the State of Colorado Highway Department in a difficult budgetary and priority position, and as a result, the counties may be pressured into assuming this responsibility, which we will naturally have to resist.

To deviate from my statement a little bit, Senator, I don't want to stand up here on behalf of the counties and be accused of being what I call a NIMBYD. A NIMBYD in El Paso County, where I am from, stands for "Not in my Back Yard."

In closing, it is our position, as representatives of all the people in the State of Colorado, that if transportation and highway programs are cut, we will rally behind you and support those cuts for the good of the country. However, please don't create additional money in Washington with these cuts. Give us, the citizens at home, the benefit of those cuts by leaving it home in the first place. We in local government will carry the burden or bond issue, whatever it takes, as long as we can get a break. Thank you.

Senator SYMMS. How much more revenue could your county provide?

Mr. HARRIS. We have a real problem in the State of Colorado in that county. We really have a 7-percent limitation on our income. In our county of about 323,000 people, in order for us to acquire more revenue we could go up 7 percent, which would be one-half mil, generally about $500,000. Other than that, we have no real other source.

Senator SYMMS. Specifically you are talking about some of the Federal regulations that are to the point of being so ludicrous the counties won't even take Federal funds. Are you talking about standards for bridge repair and replacement and this type of thing?

Mr. HARRIS. Mostly construction standards. There are many, many examples. Mountainous communities, there is no way they can build. The Federal bridge program requires the bridge to be 8 feet longer, or other standards including the shoulders. Out in a rural county, that 8 foot represents a lot of dollars.

Another thing requires us to have a professional engineer on the job at all times. That's a cost that to us is ridiculous, as long as the thing is inspected properly and built properly.

There are many things. Guardrails, they require out in the rural country, like El Paso County, where the jackrabbits have a hard time making it. *You have a 75-foot approach on the guardrail and* 50-foot lead. It just goes on and on and on.

Senator SYMMS. Thank you very much. We appreciate your testimony. the next statement will be presented by Mr. Flaven Cerise, commissioner from Garfield County, Colorado. Go right ahead, Flaven.

STATEMENT OF FLAVEN CERISE, COMMISSIONER, GARFIELD COUNTY, COLO.

Mr. CERISE. Thank you. Mr. Chairman, Senator Symms, and members of the subcommittee.

It is an honor to present testimony to your subcommittee. We are pleased that you are reviewing transportation issues in the western States.

My name is Flaven Cerise, commissioner, Garfield County Board of County Commissioners, and also chairman of the energy policy committee for Colorado Counties, Inc., representing all counties in Colorado.

My testimony will address the issues of public land holdings and energy development as related to transportation and highway needs.

It is timely for these hearings to be held now since this month the President of the United States has formally approved U.S. Department of Energy subsidies and guarantees for the development of oil shale in Colorado. Estimates by the companies involved and the State department of natural resources indicate that local and State infrastructure investments approaching $1 billion will be needed to support the oil shale industry that will be encouraged by these Federal actions. Much of this State and local investment will be for the highways and roads necessary for development.

The transportation problems that will be compounded by energy development are well summarized in the draft report of the Governor's Blue Ribbon Panel, which has been reviewing Colorado's needs. I would quote from that report:

> Major oil shale development is likely to begin in northwestern Colorado within the next 24 months.
>
> Let me change that, because oil shale development has begun in Western Colorado. We now have four plants that are being constructed, greatly dependent upon I-70.
>
> Today, I-70 is the only major transportation corridor in that part of the State. Glenwood Canyon has already become an extremely dangerous road and traffic loads can be expected to increase dramatically.
>
> By 1985 the Department of Highways estimates that 300,000 cars may be delayed along the Front Range every day unless grade separations are improved. Coal contracts already signed indicate increased coal train activity is certain. The economic costs of a 10- to 20-minute delay per car for 300,000 cars per day has not been calculated, but it is assumed to be several times the cost of constructing grade separations.
>
> Several roads in northwestern Colorado need a great deal of maintenance and construction work. This has been a high priority in the State highway plan, but overall funding pressures have served to limit the upgrading of the road network. Again, recent and expected Federal energy development actions—Synfuels Corp., DOE subsidies—will lead to massive pressures within the next 24 months.

I believe this assessment is true. We will need all the help we can get to cope with the federally encouraged energy development in this State.

On public lands, CCI recognizes that considerable amounts of Federal funds are made available for local governments impacted by large Federal land holdings. In Colorado 36 percent of the land is federally owned. This land primarily consists of 14.4 million acres of national forest lands, 8.0 million acres of BLM land, and 0.5 million acres of national parks.

In 1980 counties in Colorado receive the following Federal funds from the Federal Government due to the presence of these lands: Payments in lieu of taxes $6.6 million; forest reserve payments $1.9 million; mineral leasing funds $2.4 million; a total of $10.9 million.

Counties in Colorado distributed approximately $2 million of these funds to local school districts. Of the balance, the forest reserve payments are required to be used for road maintenance. The remainder, approximately $7 million, may be used for any general Government function. A CCI survey in 1978 indicated that approximately 17 percent of the PILT funds are used for road maintenance. Based on this information, CCI estimates that about $3 million per year is made available for road maintenance of public roads on the 23 million acres of Federal lands.

We appreciate these funds and we believe the Federal Government should continue these payments. These payments fall far short of the potential tax obligation of the Federal Government if the lands could be taxed as though they were privately owned.

A CCI study in 1980 indicated that the Federal lands would produce a potential county property tax of $90.8 million per year if they were not tax exempt. This would be an average of $3.88 property tax revenue per acre. A copy of the CCI tax analysis is attached.

Information supplied by the U.S. Forest Service indicates that counties maintain approximately 4,000 miles of U.S. Forest Service roads in the following total: Arterials 1,456 miles; collectors 2,704 miles; local 11,249 miles; total 15,409 miles.

At an estimated cost of $816 maintenance per mile this is an approximate annual cost of $3.3 million for county maintenance. Comparable data for BLM and other Federal lands are not readily available.

I hope this information is of use to your committee and I am available for any questions you may have.

[An attachment to Mr. Cerise's statement and a subsequent letter to Senator Symms follow:]

SUMMARY--COLORADO COUNTIES, INC. ANALYSIS OF POTENTIAL COUNTY PROPERTY TAX REVENUE IF FEDERAL LANDS IN COLORADO WERE NOT TAX EXEMPT

A. Comparison of Assessed Value - Federal Land vs. Comparable Private Land

Type-Private Land	# of Acres	Comparable Private Land	Average Assessed Value Per Acre
BLM Grazing Land	7,369,116	Grazing/Dry Farm	$ 4.46 (a)
BLM Oil, Coal and Mineral Leases	627,247	Oil/Coal Leases	733.01 (b)
Wildlife Refuges	52,292	Natural Resource	47.28 (c)
National Forests	14,386,671	Natural Resource	47.28
Bur. of Reclamation	316,565	Natural Resource	47.28
National Parks	537,352	Natural Resource	47.28
Corps of Engineers	38,249	Natural Resource	47.28
TOTAL, Colorado	23,327,492		$ 49.50

FOONOTES:

(a) Since not all BLM land has a primary use of grazing, CCI used the 1979 statewide average for comparable private grazing and dry farm lands, reported in the 1979 Annual Report of the Colorado Division of Property Taxation (CDPT).

(b) For the acreage of BLM "producing" lands, CCI used 1980 oil and gas leasing data supplied by USGS, Utah Office; for geothermal, coal and mineral leases CCI used 1977 Public Land Statistics published by BLM; for comparable private land values, CCI used 1979 data reported in the 1979 Annual Report, CDPT.

(c) For Wildlife refuges, forests, parks, and water projects CCI used 1977 acreage data published by BLM; to estimate the potential assessed value, CCI used comparable private Natural Resource lands, as reported for 1978 in the 1979 Annual Report, CDPT (corrected 1979 information was not available).

B. Computation of Potential Property Tax Revenue - Federal Lands.

August, 1979 Countywide Mill Rate	Potential Avg. Assessed Value Per Acre	Potential Avg. Tax Revenue Per Acre	Total Federal Acres	Total Potential Revenue
78.44¢	$49.50	$3.88	23,327,492	$90.8 million

CCI 7/21/80

Colorado Counties, Inc.
1500 Grant Street • Suite 301
Denver, Colorado 80203
Phone 303 861-4076

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Harry P. Bowes

August 20, 1981

The Honorable Steve Symms
United States Senate
Washington, D.C. 20510

Dear Senator Symms:

Garfield County Commissioner Flaven Cerise asked that I send you the attached letter concerning a public land transportation issue. Commissioner Cerise is the Chairman of the Colorado Counties, Inc. (CCI) Energy Committee. He testified before your Subcommittee on Transportation on August 14, 1981.

As indicated by Commissioner Cerise, counties appreciate the assistance now received for Payments-In-Lieu of Taxes and Forest Reserve Payments. CCI especially appreciates your efforts when you were in the U.S. House of Representatives when you and Jim Weaver co-sponsored the amendment to provide a full 25% of Forest Reserve Payments to be received by local governments. However, as indicated by Lake County Commissioner Carl Miller, these programs do not cover the actual cost of building and maintaining public land roads.

CCI would appreciate it if the enclosed letter from Commissioner Miller could be added as an addendum to the hearing statement previously submitted on August 14. Any assistance you could provide to resolve the Lake County problem would also be appreciated.

Sincerely,

Harry P. Bowes
Executive Director

HPB:jdc

cc: Flaven Cerise, Garfield County Commissioner
Carl Miller, Lake County Commissioner
Terry Harris, El Paso County Commissioner

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Commissioners
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Carl E. Miller
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Attorney
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BOARD OF COUNTY COMMISSIONERS

LAKE COUNTY, LEADVILLE, COLORADO 80461

August 17, 1981

Mr. Jim Evans
Public Lands, Energy &
Natural Resources Analyst
Colorado Counties, Inc.
1500 Grant Street
Denver, Colorado 80203

Dear Jim:

In our recent telephone conversation we discussed the impact counties will suffer if the Payment-In-Lieu of Taxes funds are curtailed. Lake County will most certainly be placed in a financially disasterous position. Under the current PILT entitlement we are struggling to provide the services required. I've enclosed a packet containing correspondence detailing our efforts to obtain additional Federal funds to improve county roads used primarily by out of county and out of state visitors.

Lake County is surrounded by mountains towering above 14,000 feet. We're blessed with an abundance of mountain lakes, streams, fish and wild life. The United States Federal Government is aware of this spectacular beauty, and, as owner of 74% of the land in Lake County, they have chosen by Congressional Act to design, construct and operate huge recreational areas in Lake County. The Turquoise Lake campgrounds are filled to capacity on a daily basis. That amounts to 700 visitors per day. The United States Forest Service is presently constructing additional campsites at Twin Lakes. The Twin Lakes campsites will be the largest in the district. Although the Twin Lakes campgrounds will not be in operation until next year, we have already received requests from the Forest Service to purchase and install guard railing along the county road that provides access to and from the campgrounds. Three county roads provide exclusive access to and from the Turquoise Lakes campgrounds. The Twin Lakes campsites can only be reached by county road. The United States Forest Service installed a counter on County Road No. 4, leading to the Turquoise Lakes campsites and recorded 86,390 vehicles from June 1, 1980 to Labor Day. That is an extremely high volume of traffic on a small county road for a period of less than 100 days. Lake County also maintains the 14 miles of paved county road that circles Turquoise Lake and the Federal campgrounds.

Another problem that is becoming of increasing concern is the fact that the Forest Service disposes of all the trash collected from the campsites at the Lake County Solid Waste site. This amounted to 60 yards per week during the summer of 1981. I'm sure when the additional campsites are in operation, in the Spring of 1982, the trash deposits will double or triple. We're also impacted by increased law enforcement costs due to deputies patrolling the campsites. Our major concern however, is the hazardous and deteriorated condition of the county roads that provide the only access to and from the Federal campsites. These roads are designated county roads, and therefore, the county must assume responsibility and any potential liability. This seems to be an unfair burden for a small county to bear in behalf of the Federal Government. In fact, it seems that Lake County is subsidizing the Federal Government.

Our local District Forest Ranger, as well as the Forest Service Supervisory office in Pueblo, are sympathetic to our problem. They agree that resurfacing these county roads is beyond the financial capability of Lake County and the burden should be shared by the Federal Government. However, they can offer no financial aid in the foreseeable future due to drastic cuts in their proposed budgets. In the PILT debate on July 21st, Rep. Joseph McDade was quoted as stating, "That the budgets of the Forest Service and National Park Service contained more than enough appropriations to make sure that those publicly owned properties are cared for". That statement is simply unfounded and not truewith regard to Lake County.

In closing, I wish to make note of the fact that Lake County supplements their Road and Bridge budget with the funds received from PILT. If the funds are curtailed it will become financially impossible to maintain these roads. As I noted at the beginning of this letter, and in past correspondence with Rep. Ray Kogovsek and other members of the Colorado Congressional Delegation, Lake County is seeking additional funds due to the burden imposed on us by the Federal Government.

Jim, if more information is needed or we can assist Colorado Counties Inc. in any way please call.

Sincerely,

Carl Miller

Carl Miller
Lake County Commissioner

Encl.
CM:ap

Senator SYMMS. Thank you very much for a very excellent statement. I just want to ask one question. Would you mind amending your statement where you say public lands and change that to Government lands, so we have it properly identified?

Mr. CERISE. Yes we can do that.

Senator SYMMS. Because I find a lot of times they call it public lands but if the public tried to go out and use it, they found out the Government is there to keep them off it, and I like to get that straight. You know, they have got about two-thirds of all the Government lands in the country off limits to miners, and we wonder why we have a mineral crisis.

Mr. CERISE. I agree with your statement.

Senator SYMMS. So I like to see that we don't always allow the other people, who seem to be better at semantics than the producing ends, to steal those good words like public lands and lock us off of it.

In regard to these Government lands and building the highways and roads, would you prefer to have the DOT be the lead agency as far as road standards and regulations, or would you rather turn some of this over to the Interior Department?

Mr. CERISE. I would prefer the Department of Transportation.

Senator SYMMS. You would prefer the Department of Transportation?

Mr. CERISE. Yes.

Senator SYMMS. And even on the federally owned lands?

Mr. CERISE. Right.

Senator SYMMS. And you made it pretty clear that you need these Federal funds for the Federal lands, but with respect to your State, and I guess the part you come from it is evidently even bigger than 30 percent.

Mr. CERISE. It is 68 percent.

Senator SYMMS. That's what I always tell my friends in Congress from the East, if they think they have problems with the Government they should come out West, where the Federal Government owns everything. It has certainly been the creation of a lot of problems. I suppose there are some places that it is nice that the Government does own it, in a Rocky Mountain park or something, but they have certainly gotten a big foothold in the West, there is no question about that, and most certainly it compounds your problems from a taxation point as a county commissioner. I can have a great deal of sympathy with your problem. Thank you very much; we appreciate your testimony.

Now, we will hear from Richard Kienast, sheriff of Pitkin County. Go ahead, Sheriff.

STATEMENT OF RICHARD E. KIENAST, SHERIFF, PITKIN COUNTY, COLO.

Mr. KIENAST. I am Richard Kienast, sheriff of Pitkin County. For those of you who aren't familiar with it, it is one of the smaller counties, both in land area and population, a population of about 10,000, rising to approximately 50,000 both in the summer and winter when the summer tourists and skiers come. The major city is Aspen, which comprises about a third of our population.

Our road miles within the county are probably the least in the State of Colorado, so I come before you today as a representative of a very small bit of Colorado and the United States, primarily to share with you a revelation that occurred to me as a law enforcement officer approximately 6 years ago when I first ran for office.

The office of sheriff is an office wherein the life and property of citizens is foremost, and at that time it became clear to me within our own small colony that the threat to life and property from highway crashes on the small amount of roads we do have is significantly greater than the threat to life and property from all the crime in the county.

I compared that with Colorado statistics and national statistics, and found the same ratios. For instance, in 1979, Pitkin County had a total loss from crime of approximately $700,000, from traffic crashes almost $3 million. Colorado, likewise, from crimes $60 million, and traffic crashes $375 million, and the Nation as a whole in 1979 monetary losses from crime amounted to $4.6 billion, monetary losses from traffic crashes $27.5 billion.

These statistics tell only part of the story. They do not begin to measure the suffering or grief associated with traffic crashes.

We have all been told many times how deaths and injuries on our highways annually amount to numbers exceeding anything that occurred during the worst years of the Vietnam war. We have also been told that they wreak more havoc than any other disease or all other accidents combined. Traffic statisticians have even told us our odds of being seriously injured or killed in an automobile or vehicle is 1 in 7 during our lifetime. This is a terrific threat to life; also, in addition, a threat to property.

What about that threat to life compared with crime? In 1979, traffic crashes killed 52,800 people, 26,000 of them caused by drunk drivers. In the same year, 21,500 people were murdered. All other violent crimes, rape, robbery, aggravated assault, totaled in number approximately 1.2 million, and some of those are repetitive. Disabling injuries on our highways totaled 2 million. Total crimes, all combined, were approximately 12 million, total traffic crashes over 18 million.

As we compute it out, we see that we are only one and a half more times more likely to be a victim of a highway crash as a crime. We are twice as likely to be injured or killed on the highway than we are to be raped, robbed, assaulted, or murdered, and we can expect our monetary losses to exceed that by a ratio of 6 to 1.

It seems to me that a concerted effort to improve the safety of the Nation's highways needs to be given top priority, based on economic and social and humanitarian concerns. Even though I am concerned as any other law officer with reducing crime, I am convinced that improving highway safety is as high or a higher priority in protecting the life and property of Americans. I feel that we should make a national commitment to highway safety and this commitment should be reflected in the allocation of moneys from the highway trust fund.

Within my own jurisdiction, I place heavy emphasis on highway safety and traffic law enforcement, as a result of this realization. I'm one of the few sheriffs who do this. In cooperation with other county officials, we have undertaken an extensive program of engineering surveys, selective traffic enforcement programs, special training programs, and cooperative efforts with other law enforcement agencies. We have surveyed all of our county roads as to safety hazards and accident locations as well as road conditions, and we know what needs to be done and where they are, but we don't know where we are going to get the money. We have substituted high officer visibility initially.

Senator SYMMS. Sheriff, we are running a little behind. You have an excellent statement. Could I skip over here and let me have you tell me how you handle the alcohol problem?

Mr. KIENAST. Sure.

Senator SYMMS. Maybe you could summarize your statement and we will see that the entire statement is made a part of our record.

Mr. KIENAST. OK.

Senator SYMMS. How many of these accidents involve alcohol, first off?

Mr. KIENAST. First off, historically, we have approximately 50 percent. What happened last year, we found our ratio had gone up to approximately 70 percent of the accidents.

Senator SYMMS. Is that——

Mr. KIENAST. In Pitkin County.

Senator SYMMS. How about nationally?

Mr. KIENAST. Fifty percent.

Senator SYMMS. But you are up to 70 percent there?

Mr. KIENAST. We were. We no longer are.

Senator SYMMS. How did you handle it?

Mr. KIENAST. Well, basically it is a very simple program. We instituted what we call the DUI saturation patrol, made a very public statement that we were going to saturate the highways with policemen from all the agencies in the county at certain times during the week and the late night hours, and we did do that.

When we initially started it, the first night we arrested 22, which is not a large number, but a large number for our community. The next time we did it, we arrested only 11, and it stayed at that rate. We found that the traffic patterns at closing time is significantly less. People are using cabs, and we also offer free rides to people who feel they would rather ride than drive.

Senator SYMMS. What about the penalties if you do get arrested for drunk driving there?

Mr. KIENAST. The penalties, of course, depend on the judge. My personal feeling is that the embarrassment of being arrested for drunk driving is one of the greatest at the same time as any penalty enforced later on.

Senator SYMMS. Yes.

Mr. KIENAST. I think this is only one of the programs that we have done, and we feel we have been very successful on a local level in dealing with our safety problems.

Senator SYMMS. The reason I'm asking this is I'm very interested in this because a lot of people have a lot of faith in the Government, and I have often made the point that the Federal Government has never been able to get the drunks off the highways, so I didn't know why we would expect them to be able to do much else without making mistakes, but, on the other hand, at the local level you think you have actually had a program that's been aimed right at the problem and been very helpful?

Mr. KIENAST. Yes, and very successful. I would not recommend having a national police force to get the drunks off the Nation's highways.

Senator SYMMS. I wouldn't either, but it has always been a concern to me to look at those figures and realize how much of a problem that alcohol does have with the drivers.

Mr. KIENAST. Absolutely. As I stated, it causes more deaths every year than crimes. At any rate, I recognize that it is the intention of the Reagan administration and of this Senate also to get the Federal Government out of local affairs. I'm not here to ask to get the Government into local affairs, but I'm here to ask you to reconsider your priorities within the bills.

The legislation, as I look at both of them, I was hoping to find a much greater commitment to highway safety.

If you look at the 5-year life of the bills, approximately only 1 percent is committed to highway safety, a significant decrease from what has been allocated in the past. I believe this is a reflection of priorities and I am no construction engineer, but I do know about priorities, and I think, given the seriousness of the safety problem, that that priority should be reflected more closely in the actual monetary outlays.

Senator SYMMS. Thank you very much, Sheriff. We appreciate your statement. It will be made a part of the record.

Mr. Bob Child, chairman of the Pitkin County Commissioners. I assume you and the sheriff work pretty closely together.

Mr. CHILD. We do, except at budget time.

Senator SYMMS. I see.

STATEMENT OF ROBERT W. CHILD, CHAIRMAN, PITKIN COUNTY BOARD OF COUNTY COMMISSIONERS

Mr. CHILD. I have submitted two statements, one a preliminary and one a supplement.

Senator SYMMS. Let me ask you a question right off the bat. If the Federal commitment to safety is reduced, how much do you think that your county or State or both would commit to replace the Federal safety commitment that we have had in the past?

Mr. CHILD. Right now our county is facing an unusual situation in that we are not allowed any increase in our mill levy by vote of the taxpayers, so I doubt it would be very significant.

Senator SYMMS. So that, in other words, you have a serious problem with safety?

Mr. CHILD. We have a very serious problem, yes, a very serious money problem.

Senator SYMMS. Both of these statements will be made a part of the record, and why don't you say what you think is the most important part of it.

Mr. CHILD. Yes, and I would like to concentrate on the supplement or the second statement that I submitted, and in the interest of speed, I think I will just read from that statement, if it is all right with you.

Senator SYMMS. All right.

Mr. CHILD. Mr. Chairman, the issue of transportaiton is one of mounting concern for Coloradans.

In recent years we have witnessed a gradual deterioration of our primary and secondary road systems and a trend toward removal of our rail and bus service. For those reasons I am pleased to have the opportunity to comment on S. 841 and S. 1024.

I know that Mayor Edel will address tourism and its relationship to the bills under consideration, so I have limited my submitted written testimony to the influence of this legislation upon the agricultural economy, of which I am a part.

Agriculture relies upon our rural secondary roads to a large degree for farm-to-market transportation of its produce. The importance of the agricultural industry to the economy of the State of Colorado is such that Colorado ranks 15th in the Nation for the production of agricultural products. The industry ranks second only to manufacturing, and has the highest economic multiplier factor of 27 industries in Colorado. I think that is about 3.18.

Further deterioration of our secondary road system is going to force those of us engaged in agricultural pursuits to consider very carefully whether we can absorb this additional burden to our operation. A decision that we must, regretfully, shut down our operation will likely result in the conversion of productive land to some other use.

Here reference should be made to the recently completed national agricultural lands study, and the conclusions and recommendations contained in the final report. As you know, the study was conducted under the auspices of the Department of Agriculture and the Council on Environmental Quality, with the participation of 10 other Federal departments and agencies.

In the final report on the study it was strongly recommended that the national interest in agricultural lands be articulated by a Presidential or congressional statement policy.

Further, in reference to the more than 90 Federal programs, and I would like to note that I think it is safe to assume that the Federal highway policy mandates some of those 90 Federal programs, which influence agricultural land conversion, the conclusion was drawn that Federal programs that acquire land or construct capital improvements have their greatest impact on agricultural land by encouraging subsequent nonagricultural development.

Also in the final report it was recommended that Government agencies adopt a policy of examining each of their actions for possible influence on the conversion of agricultural lands.

The issue of agricultural land conversion may appear to be far removed from the concerns of a Senate which is dealing with a Federal highway bill. I offer, to the contrary, that agricultural land conversion is an element which must be considered in any Federal action. Our very limited cropland base of 540 million acres is barely adequate for domestic and export demands to the year 2000, it is estimated.

I would like to thank you for the opportunity to speak here today.

Senator SYMMS. Thank you very much. Can I just ask you, how much new construction of highways in your area is actually impacting agricultural land?

Mr. CHILD. New construction, there is none actually taking place within our county boundaries. There is the interstate east and west to the north of us. Actually, the transportation that the main items have to move over now is over primary and secondary road systems. Those systems are seeing no new construction, very little in the way of improvement.

Senator SYMMS. Thank you very much for your statement, and we appreciate your concern.

Mr. CHILD. Thank you, sir.

Senator SYMMS. I would like to hear from Mayor Herman Edel, the mayor of Aspen, Colo. Next to being the mayor of Sun Valley, that might be the best place to be Mr. Mayor.

STATEMENT OF HERMAN EDEL, MAYOR, ASPEN, COLO.

Mr. EDEL. I don't know if I would accept the next.

Senator SYMMS. Well, I have a bias. I am prejudiced.

Mr. EDEL. I want to thank the Senator and his staff, more importantly the Senator for taking his coat off.

Senator SYMMS. I have always said the biggest mistake was to air-condition the Capitol, because Congress wouldn't have stayed back there in the summertime.

Mr. EDEL. Joel Hefley, assistant majority leader of the Colorado State Senate, could not attend, as you know. His transportation assistant is Mark Skrotzki. I wonder if it would be correct for me to submit some of Mr. Skrotzki's work for this committee.

Senator SYMMS. We would like to have that for part of our committee file. We will take a look at it and examine whether we want it in the file or in the record, but thank you very much.

Mr. EDEL. I would like to read just some short excerpts from my prepared statement and then add some additional comments, if I may.

Senator SYMMS. All right. I will reemphasize that we have 10 more witnesses, and I have to catch that 4:50 plane, which means I am going to have to leave on time.

Mr. EDEL. I promise to be real quick.

Senator SYMMS. We will ask you to be as brief as possible. We appreciate your concern, and we are interested in what you have to say, so you can be assured the members of the committee will read your statement.

Mr. EDEL. Thank you very much. I do want to introduce today Bernie McMenamy, who is the mayor of Breckenridge. He comes before you, as I do, as a representative of the Colorado Association of Ski Towns, and Mr. McMenamy is current president of CAST, which represents some 12 communities.

Just as CAST believes they must seek a balance in their communities between the tourist economy and other economic foundations to be truly healthy, they also believe the Federal-aid highway program must seek a balance between the desirable goal of a completed interstate system and an adequate, safe and convenient system of primary and secondary rural roads. It is these rural roads that our citizens use on a day-to-day basis, and that our guests use to arrive at our facilities.

I come to you today with a self-centered point of view. I am seeking safety and ease of transportation not for the long distance, cross-country traveler, though, of course, I so support that goal, but safety and ease for the year-round, local citizens of Aspen and all other ski towns represented by CAST, and urge spending these dollars for more urgently needed State road needs.

Mr. Chairman, there is fear in our communities, fear when our children or our friends drive on local roads. I am here today to try and end that fear.

This fear exists because our rural roads are woefully inadequate. Most of them have not been improved in years. All of them have deteriorated over the years. They have the same design, the same number of lanes, the same number of dangerous curves they had long before the ski towns became ski towns. All of these roads are handling traffic far in excess of what they are designed or intended to handle.

Rural roads are inadequate because of unbalanced funding, too much for major highways, too little for our secondary roads. Mr. Jack Kinstlinger got really up to it and in reports or testimony to the House committee on July 21 made many comments about the pending bills. The greater part of what he said I totally concur with. However, I would like to shed some additional light on what those figures mean.

In 1981–82, with current funding, we will be able to take care of 55 percent of our current needs. In 1985–86, again with this same constant source of funding, we would only be able to take care of 46 percent of our needs.

If I may suggest, this is not in the written testimony, sir.

To make up the differences between these and revenues, our tax would have to be 29 cents per gallon, astronomically higher than any other State. To ask that the U.S. Government spend $786 million or to ask that Colorado spend $78.6 million on a completion cost for Debeque and Glenwood Canyons, all to the detriment of other State roads, seems fiscally unsound at best and at worst a major mistake that can cause untold tragedy for the citizens of our State.

Mr. Kinstlinger and others talk of the ever-increasing demand of the energy industry. I concur. Colorado will become an energy storehouse for the Nation. We with some reluctance accept the fact that our State will change in the process. Our environment will be polluted. Our smalltown life will disappear. Crime will increase and all the other attendant problems of massive growth will multiply. We understand, though, the needs of the Nation preempt our personal preference.

To add to this scenario our having to spend $78 million for road completion that is serving the entire Nation while the roads we use suffer and worsen is highly illogical. The major financial beneficiary of this energy development is the seller of the fuel. Would it not be logical then to put the burden of cost upon them and free our funds for home road consumption?

As I indicated in our written statement, as our roads get worse, our problems increase. It costs more dollars each year only to fall further behind. Please free the funds to improve the roads we so desperately need, and they aren't the interstate highways.

In closing, we understand the need to support the Interstate System, but we believe there is currently an over-emphasis on completing the system. It just can't be worth the $54 billion the General Accounting Office says it will cost to finish the 1,500 miles needed to finish the 42,500-mile system. One would think in the light of current Senate majority thinking that they would concur with that concept.

Senator SYMMS. Thank you very much. You would favor a very aggressive demapping program?

Mr. EDEL. I think the time has come for us to do some new thinking. I think the thinking that we have had up to date has been a 50-year process of thinking. We've got to do some new and original thinking, and I suggest part of that is not completing the interstate highway.

Senator SYMMS. Even the part that's in Colorado?

Mr. EDEL. Very definitely so, until we can get our problems resolved, and we can't get our problems resolved as long as we are spending $78 million on the Interstate System.

Senator SYMMS. I think you make a very interesting point. Thank you very much for your testimony.

I take it we have the statement of the assistant majority leader, Joel Hefley, who is not here (see p. —). Next we have a panel of John Stencel, president of Rocky Mountain Farmers Union, Mr. Paul Schauer of Colorado Highway Users Conference, Bill Lucas of Wyoming Highway Users Federation, Jack Swenson, executive vice president, Rocky Mountain Petroleum Institute, and Mr. R. J. de la Castro, Colorado Contractors Association, Inc.

Why don't you go right ahead, John? We will hear from you first.

STATEMENT OF JOHN STENCEL, PRESIDENT, ROCKY MOUNTAIN FARMERS UNION

Mr. STENCEL. Thank you, Mr. Chairman. Senator Symms, my name is John Stencel and I am president of the Rocky Mountain Farmers Union, representing more than 9,000 farm and ranch families in Colorado and Wyoming.

In the past 2 years, we have seen tremendous impacts on the agricultural community from the bankruptcies of the Rock Island and Milwaukee Railroads. In Colorado, the closure of the Rock Island left producers without viable rail service to haul their crops and livestock to market.

Several other railroads that now serve our producer-members are now facing negative cash-flow problems, and may soon follow the Rock Island and Milwaukee into bankruptcy.

The uncertain rail situation has forced producers and rural elevators to turn toward trucks as their primary transportation system.

Colorado's highway director, Jack Kinstlinger, estimated last year that an additional 8,000 trucks would be needed to haul the wheat from just two of the counties affected by the Rock Island bankruptcy.

According to USDA's Rural Transportation Task Force, these trucks are traveling on primary and secondary roads that were designed for lighter loads. About three-fourths of the bridges they cross were built before 1935 and have a life expectancy of 50 years or less.

The U.S. Department of Transportation estimates that there are 33,000 structurally deficient and/or functionally obsolete bridges in the Federal-aid system, along with 72,000 not in the system.

A study released by our own department of highways reported that we have 269 deficient bridges in Colorado, and 92 with weight restrictions.

As of 1977, there were 2,533 miles of critical roadway in Colorado, and 999 miles in unsatisfactory condition, according to that study. Most of that mileage is on the primary and secondary roads, and the conditions have undoubtedly deteriorated since 1977, and the use of trucks has escalated.

I realize that inflation and a leveling off of gasoline consumption has created a major problem in the allocation of the 4-cent Federal gasoline tax. But the Reagan administration's proposal to wipe out Federal aid for construction and repair of secondary highways after 1983 would be disastrous for the rural citizens who now depend on those highways as lifelines to their markets.

Continuation of Federal funding from the 4-cent tax is essential if we are to undertake the reconstruction, rehabilitation, and repair of our rural roadways.

I think that everyone here would have to agree that we must maintain the considerable investment we have already made in building a transportation system that allows our vital food and fiber to travel easily from the farm gate to the local grocery stores, and even to the export facilities, where it is helping to reduce our staggering trade deficit.

We in Farmers Union recommend passage of either Senate bill 1024 or House Resolution 3210, both of which would preserve necessary funding. The administration's bill, Senate bill 841, would result in nothing less than a disaster for our rural highways.

Thank you.

Senator SYMMS. Thank you very much. You were here when the previous speaker, the mayor of Aspen, made the point about the interstate. What's your position on that?

Mr. STENCEL. The Farmers Union has not taken a position, Senator Symms. We have many of the members in that area who feel it should be constructed, but in terms of highway spending in the State there is a lot of disagreement in the organization as to how the funds should be spent, so we have no position at this time, but I do state that a lot of the Farmers Union members in the area feel it should be built.

Senator SYMMS. The interstate?

Mr. STENCEL. Yes.

Senator SYMMS. I think President Eisenhower did the country a big favor when he got us started building the interstate program. It is a concern. I think it is a realistic question when somebody comes up and talks about it. As I said, we are talking about as much money to complete 5 percent as we spent to build the first 95 percent. Certainly, in my opinion, in some of those areas in the really heavy metropolitan areas it is astronomical to pay for it.

Mr. STENCEL. We see greater needs in other areas.

Senator SYMMS. You are concerned about the truck traffic. Do you anticipate a big increase in truck traffic?

Mr. STENCEL. Yes.

Senator SYMMS. Are the railroads actually out? No one took over the operation of the Milwaukee?

Mr. STENCEL. The Rock Island was taken over by the Cadillac and Lake City group, very recently, just right at the time of harvest, so the grain was moved or a lot of it is being moved. Some of it is still sitting on the ground, however. We have a lot of branch lines that are being done away with, and those elevators that were sitting on those branch lines are having to depend on trucking.

Senator SYMMS. I think I heard you say something about raising the Federal gasoline tax and the State gasoline tax.

Mr. STENCEL. No, I did not.

Senator SYMMS. You did not say that? Do you care to comment on that?

Mr. STENCEL. We would like to see maintained the 4 cents Federal coming back to the State. Now, we just raised the Colorado 2 cents, but with the increased cost that we have and increased energy development in the State, greater use of our highway systems, and looking at the amount of money that would be coming back, we need more dollars, wherever it might come from. We need to do some things here at the State level as well.

Senator SYMMS. How about doing away with the gasohol?

Mr. STENCEL. No, sir.

Senator SYMMS. No?

Mr. STENCEL. We would like to maintain that as long as we possibly could.

Senator SYMMS. All right. Thank you very much, and now we will hear from Paul Schauer.

STATEMENT OF PAUL SCHAUER, VICE CHAIRMAN, COLORADO HIGHWAY USERS CONFERENCE

Mr. SCHAUER. Mr. Chairman, members of the committee, I am Paul Schauer, public affairs specialist for the Gates Rubber Co. and a Colorado State representative. Today, I am here as vice chairman of the Colorado Highway Users Conference, a private sector organization whose membership is made up of businesses, industries, agricultural and trade associations, civic groups, and individuals who recognize the need for a safe and efficient highway system in our State.

The conference is affiliated with the Highway Users Federation for Safety & Mobility, headquartered in Washington, D.C. We support the basic concepts and objectives proposed by the Highway Users Federation for a continuing and improved highway transportation system. A copy is attached to this.

Today, we would like to direct our comments briefly to five areas of major concern with the Federal Government's role in highways.

First, we urge the completion of the Interstate Highway System; second, continuation of the 3-R interstate program expanded to 4-R's; resurfacing, restoration, rehabilitation, with the addition of reconstruction.

Third, acceleration of the transfer fund program to provide early completion of essential and approved projects under this program vital to overall highway safety and efficiency.

Fourth, acceleration of the bridge reconstruction and rehabilitation program.

Fifth, an indefinite extension of the highway trust fund dedicated to highway construction and repair.

The importance of each of these items is apparent when reviewing the growth patterns in population and traffic development of industry, particularly the energy industry, in the State of Colorado, as well as other energy resource rich Western States.

To enlarge somewhat on these factors, in the past 20 years Colorado has experienced a 58-percent growth in population, 135-percent growth in vehicle-miles traveled, and more than a 200-percent increase in truck traffic. Projections indicate a continuation of these growth patterns over the next 20 years.

Population growth along Colorado's Front Range alone, Fort Collins to Pueblo, is projected to be 1.5 million. A conservative estimate of something in excess of another million people is projected for the State's western slope. With this growth comes all of the related increases in demand for transportation and other public facilities. Not all of this growth will be due to energy development but it is, at this point, probably the most significant reason.

The necessity for completion of Colorado's interstate segments comes into sharper focus when one analyzes the national demand for Colorado's energy resources, the location of those resources, and the need to efficiently connect and service our burgeoning population centers.

The energy industry operating in the oil shale region of Colorado requires an adequate highway system to carry construction materials into the Piceance Creek Basin and other energy areas and to transport products and byproducts out of the areas when in operation.

In order to protect the State and Federal investment in the highway system, a continuing and expanded Federal program of resurfacing, restoration, rehabilitation, and reconstruction is vital. We endorse the provision of H.R. 3210 that interstate 4-R work be funded at a 90/10-match ratio. We urge, however, that distribution of the 4-R funds be based on a combination of traffic density and lane-miles of highway because Colorado and most Western States have sparse populations but many lane-miles of highways.

Up to this point in time, the Federal-aid highway program through the highway users trust fund has proven to be the most successful Federal program ever. It has provided one of the world's finest and most efficient highway systems anywhere. Probably the most significant factor in this program is that it has been accomplished on a pay-as-you-go basis through the fairest form of taxation, that is a user's tax.

One final point: We would like to stress the importance and need for Congress to act this year to pass a highway bill so that there will not be further delays and disruptions in rebuilding our highways.

Mr. Chairman, I have only touched briefly on some of the highlights of the reasons, the needs, and the importance of our highways and the Federal role in bringing those highways up to the standards of service needed over the next 20 years.

In closing, may I sum up by expressing a personal thought: Mobility and economic free choice and our standard of living are interrelated to the extent that if we decrease the freedom of mobility, we decrease the personal freedom of the citizen. I believe that our standard of living and maintenance of our economy is directly related to our transportation system, and that highways are basic for an effective transportation system. Highways are complementary to all other forms or modes of transportation for the movement of goods and services within and between our communities. Roads and highways must be efficient in order to keep costs down and help abate transportation cost inflation. This is particularly true in Colorado and the Western States where highways are our principal transportation system.

That concludes my remarks and on behalf of the Colorado Highway Users Conference, I would like to express our appreciation for this opportunity to present our views, and if I may, one footnote. I have been asked by Club 20, which is an organization of the 20 western counties of the State of Colorado, to submit their statement. I won't comment on it, other than to say that they endorse the completion of the Interstate System, especially I-70 through the Glenwood Canyon and Debeque-Rifle.

Senator SYMMS. Their statement will be admitted to our record. (See p. 447.) Thank you very much. That's an excellent statement.

You have five priority items here. Do you have a recommendation of where the funding should come from on the five major areas? Do you want to continue the trust fund? What's the highest priority, completing the entire interstate or the larger interstate 4R program?

Mr. SCHAUER. I will say at this point completing the interstate, because I think the important element there is the bottlenecks that exist will hamper the development of the economy in the western portion of the State.

Senator SYMMS. Has the interstate in Colorado, the part that's not completed, has that been held up by lawsuits?

Mr. SCHAUER. Yes, that's been part of it. The environmental regulations we've had to contend with.

Senator SYMMS. State or Federal?

Mr. SCHAUER. Federal.

Senator SYMMS. I understand that it is a very narrow stretch.

Mr. SCHAUER. It is a very narrow canyon, and I can speak from experience, having driven through there a week and a half ago. It is a very dangerous part, goes from four lanes to two narrow through a canyon that can adequately support an interstate road. I was nearly involved in an accident. Trucks come through. It is a major thoroughfare between the east and west slope and major arterial section.

Senator SYMMS. How long is that section?

Mr. SCHAUER. I believe a total of 12 miles.

Senator SYMMS. And what's the cost estimate on that?

Mr. SCHAUER. I believe it is 70—I'm not sure.

Senator SYMMS. We will get that information.

Mr. SCHAUER. I think it has already been stated.

Senator SYMMS. I think somebody mentioned it.

Mr. SCHAUER. I think Jack Kinstlinger or one of the other individuals.

Senator SYMMS. So it is about $6-million per mile.

Mr. SCHAUER. I think that's somewhere around that neighborhood.

Senator SYMMS. That's expensive, but there is one in New York they want to build for $2 billion for 3 miles. It's places like that that appear to me like they need to be demapped. That's the kind of problems that we on the committee have to eventually resolve. Thank you very much.

Mr. SCHAUER. Thank you.

Senator SYMMS. Bill Lucas, Wyoming Highway Users Federation.

STATEMENT OF WILLIAM LUCAS, CHAIRMAN, WYOMING HIGHWAY USERS FEDERATION

Mr. LUCAS. Thank you, Senator, particularly for taking the time to come to our part of the country and bringing your staff to hear our complaints.

Senator SYMMS. I have long contended that's been one of the problems with the highway problem as I see it. The Westerners do not get their fair share of input. I'm happy to be here and take the time so we at least have our case made anyway.

Mr. LUCAS. Thank you. I will be brief, and with your permission I won't read my statement but just try to emphasize some of the points I made in there, if I may.

Senator SYMMS. We will put your entire statement in the record.

Mr. LUCAS. As I have stated, I am currently president of the Rocky Mountain Federal Savings and Loan Association, and maybe I would rather talk about interest rates than highways, but that's not the business at hand. I formerly was superintendent and chief engineer of the Wyoming Highway Department, and am speaking today as chairman of the Wyoming Highway Users Federation.

We certainly endorse the completion of the Interstate System. I guess we are very fortunate in Wyoming in the fact that we don't have that much left to build.

I would also like to point out that we endorse the continuation of the trust fund. We think that it is a concept that has served our highway system very well in the past and will continue to do so, and it falls in line with another concept of the highway users that we do endorse, the system of the user fee concept, and, in other words, if you use it, you pay for it.

And to digress just a little bit, I heard you ask a question earlier of a witness, what did they think of the severance tax, and I can't speak for the Wyoming Highway Users Federation, but I have a great concern that the proliferation of this vehicle is causing a weakness and a problem throughout the whole country, and not just Wyoming.

Senator SYMMS. Is causing what?

Mr. LUCAS. A weakness and problem. We all came to say let's do something, but let somebody else pay.

Senator SYMMS. Oh, absolutely, I couldn't agree with you more. In Idaho they are even talking about severance tax. What concerned me was it was a Republican legislature that was talking about it. It is totally antiproductive and totally antienvironmental. It is a way to add a tax that ultimately somebody has to pay. It does detriment to the overall economy.

Mr. LUCAS. I would emphasize that my comments and my view is solely mine.

Senator SYMMS. We will so record that in the record.

Mr. LUCAS. We do think that the bridge replacement program is of paramount importance and all levels of government certainly need assistance in this light. I think Mr. Menghini spoke of the various specific numbers that were needed and I can only endorse what he has stated.

You had also asked a question as to what was the thought if we had to have one or the other, completion of the interstate or a larger 4-R program, and without consultation of my successor as chief engineer of the highway department, I would have to say my view is that ultimately the Wyoming Highway Department would be better off and so would the citizens of the State of Wyoming with a larger 4-R program, but certainly the moneys that are going into taking care of what the 4-R program might be able to ease are moneys that are taken from other systems.

Senator SYMMS. Well, let me ask you one other question. Do you support an increase in the Federal highway users fee of 4 cents, or do you think that's adequate?

Mr. LUCAS. I think that it is inevitable.

Senator SYMMS. To raise it?

Mr. LUCAS. My only plea is that we cut down the categories and try to cut some of the fat off the past and back to that level.

Senator SYMMS. In other words, you like the idea of block grants to the highway department and let them spend the money?

Mr. LUCAS. Yes, sir.

Senator SYMMS. I appreciate that, and thank you very much for a very excellent statement.

Next we have Mr. De La Castro.

STATEMENT OF R. J. DE LA CASTRO, COLORADO CONTRACTORS ASSOCIATION, INC.

Mr. DE LA CASTRO. Mr. Chairman, my name is R. J. De La Castro, a highway contractor headquartered in Arvada, Colo. I am a past president of the Colorado Contractors Association and have served as Associated General Contractors of America highway division chairman in 1979. The CCA board of directors have asked me to express their appreciation to your subcommittee for making it possible to comment on the forthcoming highway legislation.

Colorado has some special problems and many of our highway proposals will impact significantly on meeting our future transportation needs, but in the interest of time and since my prepared testimony has been submitted, I wish to publicly stress only the CCA recommendations for the proposed Federal highway legislation. I feel certain there remains no doubt in your mind of the need for the Nation to preserve and enhance our transportation system by renewing the highway trust fund so that we may continue to achieve the system's economic benefits. The methodology of how and when are what have to be worked out. We must make plans now for an increased capital investment to be implemented at the appropriate time, consistent with our Nation's economic performance.

CCA recommends when considering interstate completion funding for our national defense highway, the inclusion of lane mileage is obviously a vital ingredient for Western areas with vast distances and low population density, as well as difficult terrain to traverse.

CCA supports continued Federal assistance for secondary and urban areas. In Colorado and the Western mountain area particularly, energy impacts directly or indirectly all cities though which coal trains travel. In addition, the secondary rural and urban system cannot support the heavy truck traffic being required. These needs cannot be met by the State alone.

In addition, competition from government is not cost-effective, nor is it something our industry needs at a time public works in general are faced with a reduced budget. Restricting local governmental entities from using their own men and equipment for construction of projects would be greatly appreciated.

In addition, CCA urges and advocates, one, the highway trust fund be extended indefinitely; two, the number of categories be reduced; three, the Federal motor fuel tax be increased and indexed to some measure of inflation; four, the cash balance in the trust fund be reduced to the miminum level necessary for cash flow purposes; five, the interstate upgrading be added to the 3R program, making resurfacing, restoration, rehabilitation and reconstruction the 4Rs; six, all transfer fund projects and 4R projects to be awarded by competitive bids; seven, the review and elimination of Federal regulations and administrative requirements that are not cost justified or effective.

CCA further recommends that the imposition of obligational ceilings be discontinued. When a fuel, any fuel, propels a vehicle over the highway, that fuel should be taxed for the highway trust fund and all funds collected for the trust fund should be spent only for highway purposes. Any diversion of these funds reduces our Nation's ability to properly build and maintain an adequate highway transportation network.

Finally, as a precaution, in the extreme event that no legislation can be enacted this year, the Congress should, as a minimum, approve a concurrent resolution approving a 1981 interstate cost estimate under the existing 1978 Transportation Act so that the administration can proceed with interstate apportionments being made in fiscal year 1982.

Again, we want to express our appreciation and thanks for being permitted to address your committee on subjects vital to Colorado highway transportation needs. Thank you.

Senator SYMMS. Thank you very much for a very excellent statement, and, specifically, if you could pick out one Federal regulation that you would like to eliminate, which would be the first one you would do as a builder of highways?

Mr. DE LA CASTRO. As a builder of highways, on reporting on a monthly basis of all employees so they keep track of what categories they fall in. This is a tremendous burden.

Senator **Symms**. How much do you suppose that increases the cost of highways? In other words, what you are saying is our contract enforcement has become so specific that it costs additionally and you have to program it into the original bids?

Mr. **De La Castro**. Right. This is right, and it all passes on in their accounting for all the contractors they have.

Senator **Symms**. You have had increased costs in the construction industry of about 20 percent a year I think.

Mr. **De La Castro**. Right, close to that. Wages, we just settled a labor contract. With some members that was running 15 percent. Our equipment is running on an average of about 12 percent a year.

Senator **Symms**. What do you anticipate in the future?

Mr. **De La Castro**. With the turn in the economy, I think we may get a breaking point on it where it would slow down, but I do not think we are ever going to turn it back.

Senator **Symms**. If the President is successful with the Air Traffic Controllers, it would set an example for the rest of the country.

Mr. **De La Castro**. It would be helpful.

Senator **Symms**. Thank you very much for very excellent testimony, and we will now call Doyle Davidson. Doyle, come on up.

STATMENT OF DOYLE L. DAVIDSON, EXECUTIVE VICE PRESIDENT, NATIONAL HIGHWAY 50 FEDERATION

Mr. **Davidson**. My name is Doyle L. Davidson. I am the executive vice president of the National Highway 50 Federation, an organization that covers 12 States and the District of Columbia, all of which are traversed by U.S. Highway 50 between Ocean City, Md., on the East and Sacamento, Calif., on the West. As a promotional group for travel and highway improvements, we are vitally interested in forthcoming legislation that would affect Highway 50.

I would like to quickly give seven points that the National Highway 50 Federation is unanimous in its position and to which it strongly urges the Congress of the United States to give sincere consideration.

No. 1, give extreme priority and increased funding to the Federal-aid primary system, with a special emphasis on those key primary routes that are feeding traffic into and out of the Interstate Highway System. The primary system is the next level of importance to the Interstate System and the upgrading to four-lane standards of those key primary routes that connect with and in many cases are joint with the Interstate System, would greatly enhance the effectiveness of the Nation's entire highway transportation system. An excellent example of this situation would be the upgrading of U.S. Highway 50 through southern Colorado and southern Kansas, connecting Interstate 25 at Pueblo with Interstate 35 on the east at Wichita, Kans. The primary system should start receiving the major emphasis for continued highway improvements.

No. 2, continue indefinitely the highway trust fund and at the same time undertake a factual needs study to determine the amount of moneys that would be necessary to bring our National Highway System up to proper standards and then increase the gasoline tax accordingly to the needs. The gasoline tax is the most fair tax in existence today as it is one that operates on a pay-as-you-drive system, whereby you pay only your fair share as you actually use the highway network.

No. 3, the Interstate Highway System should be completed as soon as possible. Priorities should be given to those segments in rural and Western areas, based on number of miles rather than on traffic counts. In the rural West, the highway offers the only means of transportation, whereby in those areas in urban sections with high traffic counts there are alternate means of transportation that can be used. An example of this is the completion of the Glenwood Canyon section of Interstate Highway 70 in Colorado. In certain highly populated areas of key metropolitan cities, many short sections of the proposed Interstate System should be eliminated because of extreme costs per mile and other form of transportation are available.

No. 4, do not add any new highway mileage to the present National and State highway systems, but put forth every effort to upgrade those highways presently on the systems, including the four laning of those present key primary routes feeding traffic into the National System of Interstate and Defense Highways.

No. 5, we ask that all diversions from the highway trust fund for nonhighway purposes be stopped immediately, and that all moneys going to the highway trust fund be spent only for highway construction and maintenance as outlined in the original legislation. Moneys have been diverted for such things as bikeways and since no revenue comes into the highway trust fund form these sources, they should receive no benefit from same. The highway trust fund is the most democratic form of taxation and all moneys derived from this source should be used for its intended purpose of construction and maintenance on the highway systems.

No. 6, in past years the Congress has not always allotted all of the tax revenues coming into the highway trust fund back to the States. This tends to build a balance in the highway trust fund that gives a false impression that revenues are exceeding the construction and maintenance needs. As we all know, in today's inflation spiral, the highway needs far outweigh the moneys available. For this reason we ask that all moneys be returned to the States on a steady and continuous basis in line with revenues collected.

I think that has built up a fund there that too many times people want to divert that fund into nonhighway uses.

Senator SYMMS. I agree with that. In fact, the previous speaker made that point, but that's been the temptation for people to try to buy buses or whatever with that money, build trains and everything else.

Mr. DAVIDSON. The seventh and last point, we are very much opposed to using moneys from the highway trust fund for the continued development of the Appalachian highway system. The development and upgrading of present primary routes in the Appalachian region is far more important than constructing new routes parallel to the already established primary routes. An excellent example of this waste is the Appalachian highway that was built between Parkersburg, W. Va. and Cincinnati, Ohio, paralleling an already substandard U.S. Highway 50 where present traffic flows show a need for a four-lane facility. We would rather have the money spent on the present routes than building new ones.

The above testimony is being given in the interest and safety of the traveling public, and we certainly thank you for your visit here and for your allowing us to present this testimony.

Senator SYMMS. Thank you very much. Just out of curiosity, do you live in Denver?

Mr. DAVIDSON. I live in LaJunta, 180 miles southeast of Denver.

Senator SYMMS. And Highway 50, I take it, goes through there?

Mr. DAVIDSON. That's correct.

Senator SYMMS. All right, thank you very much.

Mr. William Ward, Colorado Motor Carrier Association. Your entire statement will be made a part of our record, and please commence.

STATEMENT OF WILLIAM R. WARD, VICE PRESIDENT, AMERICAN TRUCKING ASSOCIATIONS, INC.

Mr. WARD. Thank you, Senator Symms, and I accept your opportunity to summarize our statement briefly.

My name is Bill Ward. I am the owner and president of Ward Transport, Inc., and I am here representing the Colorado Motor Carrier Association. I am also vice president of the American Trucking Association and a director of the National Tank Truck Carriers.

Briefly, Senator, we want to summarize quickly the request that we would like your committee to address in legislation. They are difficult problems, but I am going to try to do it in 3 minutes flat.

We would like by legislation for the U.S. Congress to allow the States, Western States or any State, if they choose, to use their weights permitted on the Interstate System.

In support of this argument, we say that our industry, like many industries in this country right not, is suffering from inflation. We are suffering from all the economic woes that plague American business. We need an opportunity for increased and improved productivity.

Increased weights on trucks on the Interstate System as well as secondary systems would give us the opportunity to overcome some of those woes.

We also point out we believe that the Nation itself is the ultimate beneficiary. To the extent that trucks are in a position, we are not kidding anybody, our customers pay the cost of that. To the extent we are efficient, our customers enjoy the benefits.

We also believe the lack of adequate weights is primarily a politically motivated consideration and not practically or economically motivated, and we cite two practical instances in the State of Colorado. In both 1973 and 1974 and again in 1978 and 1979, when there were serious problems with the distribution of gasoline and fuels as a result of OPEC problems, both of those instances, by executive decree and legislative decree, trucks were permitted to haul heavier loads and did so instantly to solve that problem. Then the political motivation was drawn and the permission for the excess weights was also drawn.

In addition, we feel that the trucking industry by most counts pays 40 to 45 percent nationally of highway users funds. We believe we pay for the use of those roads and we would like the opportunity to haul increased weights, again as the States will permit and see fit.

Our second request involves a Federal Highway Administration interpretation of the 1974 amendment to the Federal-Aid Highway Act. Colorado, as well as many Western States, at that time allowed weights in excess of the Federal law. Colorado allowed 85,000 pounds on its highway system. Colorado, the State of Colorado, and the trucking industry felt that the grandfather provisions of that law would permit 85,000 pounds on the Interstate System in Colorado. The Federal Highway Administration, by an administrative interpretation of that law, disagreed, and as a result we are only allowed the 80,000 pound on the Interstate System and 85,000 pounds elsewhere in Colorado.

We would like your committee to reexamine the correctness of that FHA interpretation, and if FHA is wrong, as we believe they are, Colorado and other Western States could enjoy an immediate benefit.

That's the substance of my testimony. I would be glad to answer questions.

Senator SYMMS. I thank you very much for your testimony. You are saying 85,000 pounds is no problem on the Interstate System. How about the fact that in the Mississippi River region up and down across the system some States have a lower weight? Would you rather get that fixed first so that you can go east or west without unloading when you get to the Mississippi River?

Mr. WARD. It is the position of our industry, Senator, that each State should be allowed to interpret its own needs and systems as it sees fit, and here in the West almost every Western State presently allows substantially greater than the 80,000 pounds weight laws on all of their secondary roads. It is only the Federal mandate or Federal restriction which is reducing that. In the East, they may have different problems than we have here. Consequently, I guess they would have to address those as they saw fit.

Senator SYMMS. We have doubles and triples on some of these western roads. I suppose they cause no problem. I suppose in the East there could be problems, I think on the Pennsylvania Turnpike, for example, but I guess what you say is let each State decide for themselves.

Mr. WARD. Let Pennsylvania decide for itself what it thinks it ought to have on its highways, but the Federal Government ought not to arbitrarily restrict nationally across the board the size and weights of vehicles.

Senator SYMMS. Don't you think the Federal Government ought to nationally say what the minimum is?

Mr. WARD. They could, yes, sir, our industry has supported that concept, that the 80,000 ought to be a minimum.

Senator SYMMS. So, they can't come in and stop a truck. It is also irritating to have to take off 100 sacks of potatoes when you get halfway across the United States just so you can get the truck back.

Mr. WARD. Yes; we think it should be not less than 80,000.

Senator SYMMS. Thank you very much. We appreciate your testimony and your entire statement will be part of our record.

Jon Brinton, National Association of Truck Stop Operators, from Salt Lake City.

STATEMENT OF JON R. BRINTON, NATIONAL ASSOCIATION OF TRUCK STOP OPERATORS

Mr. BRINTON. In the spirit of today's meeting, I will keep my remarks extremely brief. I am past chairman of the board of the National Association of Truck Stop Operators and chairman of the association's government affairs committee. I am also the owner of Truckers, a truckstop located in Salt Lake City.

The National Association of Truck Stop Operators is composed of approximately 1,000 members, including not only truckstop operators from every one of the continental United States, but also a large number of what we call allied members, companies who provide goods and services to the truckstop industry.

Mr. Chairman, trucking is the lifeblood of America's transportation system. The importance of trucking is what makes truckstops essential. Truckstops, located on the Nation's interstate, primary and arterial highways, help trucks move America's goods to the marketplace, not only by selling fuel, but by providing food, repair service, and lodging.

The National Association of Truck Stop Operators therefore has a keen interest in highway legislation, which by affecting carriers and truckers would also affect truckstop operators.

I am pleased to be able to represent the views of our association on proposed highway legislation before your subcommittee today.

The major highway bills before Congress, of course, are S. 1024, sponsored by the full committee's chairman, Mr. Stafford, by you, Mr. Chairman, and by other members of the committee, S. 841 and H.R. 3197, the administration's proposal, and H.R. 3210, the 1-year bill reported by the House Public Works Committee.

NATSO finds H.R. 3210 to be inadequate in that it authorizes funding only through fiscal year 1983. A multiyear approach, as proposed by the administration and endorsed by the Senate bill, is needed if the problems of highway construction and maintenance are to be dealt with in a comprehensive way.

We support a spending ceiling on obligations of the highway trust fund.

We favor making interstate construction funds available for building unstarted segments only at a new minimum level of service. NATSO believes, however, that a six-lane standard in urban areas with more than a 400,000 population is too restrictive. H.R. 3210's standard of eight lanes in urban areas of more than 1 million people is a more farsighted recommendation.

Our association supports an expansion of the 3R program to the 4R program, to include reconstruction.

NATSO favors an extension of the current 4 cents-a-gallon Federal fuels tax through fiscal 1989. However, NATSO is aware that escalating construction and maintenance costs, along with Americans' use of more fuel-efficient cars, have lately caused a decline in the trust fund. Should the current balance fall too low, NATSO might have to reassess its position on the 4 cents-a-gallon tax.

NATSO opposes the administration's proposal to allow the Transportation Secretary to drop or demap those segments of the Interstate System that he finds not essential, not cost effective or environmentally unsound. We are pleased, of course, that S. 1024 contains no provision giving the Transportation Secretary such authority.

We oppose the administration's recommendation to eliminate Federal funding for urban and rural roads in fiscal 1984. Once again, S. 1024 wisely rejects this proposal.

The administration has proposed to eliminate funds to help States enforce the 55-mile-an-hour speed limit. While NATSO does not object to this proposal, it recognizes and respects the views of those Members of Congress who feel strongly that the 55 mile-an-hour limit should be enforced by the States to save lives and conserve fuel, but it is also imperative that Congress act immediately to establish a national uniform standard of truck lengths, widths, and weights. Today, an enormous amount of time, money, and fuel is wasted as a result of nonuniform regulations that inhibit the free flow of interstate commerce.

NATSO supports legislation, such as that sponsored by Senator Howard Cannon of Nevada, which would set a uniform standard for truck lengths, including a requirement that States permit doubles on their roads and truck widths of 102 inches, and even though only two States have failed to raise their truck weight limits to 80,000 pounds, those two States, Illinois and Arkansas, are strategically located and continue to impose an unfair burden on carriers and truckers alike.

NATSO urges your subcommittee and full Environment and Public Works Committee to attach an amendment or amendments to S. 1024 to deal with this serious problem.

Mr. Chairman, thank you for your time and giving me the opportunity to present the views of our association here in Denver.

Senator SYMMS. Thank you very much, and I wish to thank all of the witnesses that were here today.

Your testimony that you have presented to the committee, although I am the only member of the committee here today, will be made available to all the members of the committee, and I know that it will be very helpful, I think for those of us on the committee from the West, to have the backing of this testimony to make the points as the deliberation comes on the highway bill. I thank you very much.

Was there anybody else that had testimony that they wish to submit? If not, the subcommittee stands adjourned and we would welcome any testimony that anybody wants to forward to the committee.

[Whereupon at 3:42 p.m. the hearing was adjourned to reconvene at the call of the chair.]

[Statements supplied for the record follow:]

SUBCOMMITTEE ON TRANSPORTATION
SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

STATEMENT ON HIGHWAY LEGISLATIVE PROPOSALS

by

Jack Kinstlinger, Executive Director
Colorado Department of Highways

August 14, 1981

I. INTRODUCTION

Thank you, Mr. Chairman, and members of the Subcommittee. My name is Jack Kinstlinger. I am Executive Director of the Colorado Department of Highways. On behalf of Governor Richard Lamm and the members of the Highway Commission, I welcome you to Colorado. We truly appreciate the extra effort you have demonstrated by holding this hearing in Denver and other hearings in the Western United States. I know the perspective that you will gain from these hearings will be of valuable assistance as you develop future highway legislation.

II. UNIQUENESS OF COLORADO AND THE WESTERN STATES

Mr. Chairman, the theme I would like to emphasize in my statement is that the transportation needs in Colorado and other Western States are unique because the environment is unique. Population growth, energy development, climate, long distances, and the large amount of public lands are all factors that combine to create this unique environment.

One of the primary factors shaping Colorado's environment is population growth. As the chart attached to this testimony indicates, population growth in Colorado is quite dissimilar from the remainder of the United States, and even somewhat different than other Rocky Mountain states (Attachment A). For example, over the past decade Colorado's growth has been at an annual rate of 3.1 percent while other Rocky Mountain states averaged 2.4 percent and the United States 1.1 percent. The U. S. Census Bureau further forecasts that Colorado's growth rate over the next two decades will exceed the average in the Rocky Mountain West and will be at least double that of the United States. As the chart illustrates, the Denver suburban counties over the last ten years have been growing at an annual rate ranging from about three percent up to nearly 20 percent. We expect that these growth rates will remain high.

Energy development will also have a major influence on Colorado's transportation needs. Colorado is rich in energy reserves. The state contains one trillion barrels of oil shale--64 percent of the U. S. reserves, and 40 billion tons of coal--about nine percent of the U. S. reserves. The presence of these resources combined with the world energy situation dictates massive future energy development in this region. To illustrate the energy situation in Colorado, I have attached to my testimony a map of northwestern Colorado depicting the oil shale, coal, uranium and power plant sites already in place (Attachment B). The development of and production from these resources will drive future highway, rail, air, pipeline, and transit development in the western part of the state.

In my estimation, an underrated factor determining highway construction and maintenance needs is the geography and climate of the state. According to statistics published by the U. S. Department of Commerce, Colorado is the eighth largest state in the union, with 103,766 square miles. In terms of population it ranks twenty-eighth, with a population density of 27.8 persons per square mile.

To illustrate the distances involved in traveling in Colorado, consider the following: Burlington, on the eastern Colorado Great Plains, and Grand Junction, on the West Slope, are almost 400 miles apart--equivalent to the distance between Washington, D. C. and Boston. In Colorado's case, however, these communities are also separated by several ranges of the Rocky Mountains.

Colorado is also the state with the highest average altitude (6,800 feet), with roughly three-fourths of the nation's land above 10,000 feet within its borders. The differences in elevation cause wide variations in the state's climate. For example, the difference in annual mean temperature (35 degrees) between Pikes Peak and Las Animas, 90 miles to the southeast, is about the same as that between southern Florida and Iceland. The annual snowfall at Cumbres, in the southern mountains, is nearly 300 inches; less than 30 miles away at Manassa, snowfall is less than 25 inches. I daresay that few other states are faced with such maintenance and construction challenges as those caused in Colorado by our particular topography.

Also separating the Western states from their Eastern counterparts is the amount of land owned by the federal government. Over 23 million acres, or 35.7 percent of the total acreage in Colorado, is owned by the federal government. Over 27 percent of the Colorado State Highway System, or 2,528 miles, is located on federal land.

III. DIFFERENT NEEDS AND PROBLEMS

The above factors interact to create highway and other transportation needs and problems that are different in Colorado than they are in other states. Population growth and energy development combine to generate demand for additional highway capacity, such as the completion of the Interstate System in Colorado. All but 52 miles of the system have been completed in Colorado. Two major segments remaining to be completed are critical gaps on Interstate 70 in the western part of the state--approximately 12 miles in Glenwood Canyon and 17 miles from Rifle to Plateau Creek. These two segments are depicted on the map that also shows the existing energy development in northwestern Colorado. As shown on the map, these two projects are essential links in a transportation system that will be called upon to serve the oil shale, coal, oil and gas industries that are rapidly expanding in the northwestern and north central portions of the state. These links are also vital to the state's third largest industry, tourism. Research indicates that if these highways are not upgraded to four lanes by the year 2000, highway speeds could be reduced at some points to less than 15 miles per hour, with queues up to four miles long. This research also indicates that without four laning, accidents will be over twice as likely and injuries will increase by as much as four times. These two segments are presently scheduled to be totally under contract by 1989. Using an annual inflation rate of 12.2 percent, the total cost to complete these segments is estimated to be $786 million.

I would like also to mention the need to include rest areas, hiking trails and other amenities as part of the Glenwood Canyon design. Glenwood Canyon provides a scenic experience of ever changing composition of enormous cliffs, spur canyons and the Colorado River. Because of these unique features, the then Secretary of Transportation, William Coleman, approved the environmental impact statement on the condition that a citizens' committee would be appointed to work with a team of experts in engineering, architecture, aesthetics and environmental design to develop, with full public participation, a design that would be physically and aesthetically appropriate for

Glenwood Canyon. The final design decided on by this citizens' committee involved a narrow 4-lane, limited access, divided highway that would incorporate scenic overlooks, hiker/biker trails, fising access and a pedestrian bridge across the river. These amenities are an integral part of the total design of the project and it is my fear that if the Congress precludes inclusion of these features from eligibility for Interstate funding, as is currently proposed by the Administration and the Senate Transportation Subcommittee, the broad base of public support for this project will be greatly diminished, and the project's future will be in jeopardy. I urge the members of this subcommittee, as well as the rest of Congress, to allow Colorado to go forward with the Glenwood Canyon final design, including the attendant features described above.

Another high priority in Colorado, necessitated primarily by population expansion, is the Interstate Transfer Program. In September 1977, the U. S. Department of Transportation approved the withdrawal of Interstate 470 from the Interstate System. By mutual action of the State Highway Commission, local governments in the Denver region acting through the Denver Regional Council of Governments, and Governor Richard D. Lamm, a number of transportation projects in the area were substituted for the withdrawn Interstate 470 project. The major substitute project is known as the Centennial Parkway, or Colorado-470. It will provide a link between Interstate 70 and Interstate 25 as a circumferential route around the southwestern metropolitan Denver area. I cannot overemphasize how important it is that this project receive its fair share of federal funding and proceed expeditiously. Not only are all of the existing arterials in this area overburdened, but right-of-way costs are escalating at a monthly rate of two to six percent, adding $600,000 per month to the cost of the Colorado-470 project alone. Let me finally add that Colorado-470 is not a typically divisive circumferential project, but rather has the support of center city officials as well as suburban representatives. To quote Congressman Tim Wirth, in whose district part of Colorado-470 lies, "....while C-470 has had a very turbulent history, it now has the full support of the Denver community."

Colorado's highway needs are not limited to areas of energy development or to the suburbs. Downtown Denver is emerging as the business and energy development headquarters for the Rocky Mountain Region. Commercial and office space is expanding at a very rapid rate. This expansion exerts additional pressures on the transportation systems that serve the business district. One of the key links in this system is the Colfax-Larimer Viaduct. The viaduct is part of U. S. Highway 40, a federal-aid primary road. It is 4,700 feet long and carries about 35,000 vehicles a day, including 640 Regional Transportation District buses. Built in 1917, this viaduct is in critically poor condition. The concrete deck, the pier columns, the hinges, girders, reinforcing steel, and railing are all severely deteriorated. According to the Federal Bridge Inventory Program, this viaduct has a rating of 5 out of a possible 100. In the next few years we will have to ban buses and trucks from the structure. Replacement is the only feasible option. The total cost to replace this viaduct is estimated at between $35 and $40 million.

A problem that may not be unique to Colorado is one of federal red tape, intensified by the large amount of federal lands in

Colorado. Large federal ownership of land means that highways will be running through many different federal jurisdictions and highway planning and construction will be subject to many differing rules and regulations.

For example, the Environmental Impact Statement (EIS) requirements of each federal agency are often different. What satisfies the Department of Transportation may not satisfy the Army Corps of Engineers, the U. S. Bureau of Land Management, or the U. S. Forest Service. In the case of Glenwood Canyon, the Colorado Department of Highways has been required to supplement its environmental impact statement for the Army Corps of Engineers five years after the original environmental impact statement had been approved by the U. S. Secretary of Transportation.

A further example of the complexities of coordinating the actions of several federal agencies is the Memorandum of Understanding I have attached to my testimony (Attachment C). This Memorandum of Understanding does nothing more than define how the Federal Highway Administration, the Bureau of Land Management, the Forest Service and Colorado Department of Highways will talk to one another. The length and tortured intricacy of the Memorandum testify eloquently to the difficulties we encounter in dealing with so many federal agencies.

IV. NEEDS VERSUS REVENUES

Although Colorado's highway needs may be unique, we do share a problem with almost every other state--insufficient revenues. This past year the Colorado General Assembly enacted, and the Governor signed, two major highway finance bills. One was a

2¢ increase in the gas tax, raising the level to 9¢ per gallon. Another was a credit of sales and use tax revenues to the Highway Users Tax Fund. Together, these two provisions will add over $60 million per year to the Highway Users Tax Fund, of which the State Highway Department will receive approximately 60 percent. Even with these significant increases, the Colorado Department of Highways will not come close to meeting the construction, maintenance and repair needs of the state. These needs are estimated at $6.4 billion over the next ten years compared to about $2.1 billion expended over the last decade. We calculate that in Fiscal Year 1981-82, if federal funding remains constant, we will meet 55 percent of our needs. This figure will decline until we can meet only 46 percent of our needs in Fiscal Year 1985-86. To make up the difference between our needs and our revenues, again assuming constant federal funds, Colorado would have to increase its motor fuel tax to 29¢ per gallon.

V. LEGISLATIVE PROPOSALS

All of the above discussion leads to the State of Colorado's position on pending federal highway legislation. On behalf of the Governor, I respectfully submit to the subcommittee the following positions.

We support the Interstate completion provisions of S. 841. This includes a redefined 1981 Interstate Cost Estimate with $31.5 billion allocated for completion of gaps. We also support the scaled back standards specified in the bill.

Combined with a redefined Interstate Completion Program, we support expanding the 3R Program to a 4R Program. Especially important to Colorado is the apportionment formula used to determine the amount of money going to each state. In this matter we support the provisions in S. 1024 where the apportionment is based 60 percent upon lane miles and 40 percent on vehicle miles traveled. We believe this emphasis is appropriate because lane miles more accurately reflect costs associated with 4R projects. Costs in the Colorado situation are determined not so much by traffic densities but rather by lane miles required to move traffic over great distances under severe climatic conditions to serve a sparsely settled population. A 4R allocation based on average annual vehicle miles of travel (VMT) would be inequitable to Colorado and other Rocky Mountain states that tend to have relatively lower VMT but high seasonal traffic peaks. We also support 90 percent federal funding for the 4R Program.

Consistent with provisions of S. 1024, we support financing highway substitute projects from the Highway Trust Fund under a contract authority basis. We favor the continuation of the Primary and Bridge Category Programs as provided for in the Administration's bill, S. 841. We do, however, prefer the continuation of the Urban, Rural and Safety Programs as called for in S. 1024, with greater local financial participation than currently exists. We also oppose Highway Trust funding of the Appalachian Development Highway Program contained in both S. 841 and S. 1024.

Finally, we support the transferability provision in S. 1024. The 100 percent transferability between the primary, urban and rural categories would be very effective in assisting Colorado to cope with its unique transportation problems.

Two other matters not contained in S. 841 or S. 1024 that I think deserve Congressional attention are truck weights and energy impact assistance. It is my view that the existing federal limits of 80,000 pounds gross weight, 34,000 pounds for tandem axles, and 20,000 pounds for single axles are appropriate for the Interstate Highway System. I suggest these limits be made national standards with all states encouraged to accept them to provide uniformity among motor carriers. If unique conditions justify exceptions, states should be allowed the option of having lower weight limits. To go above these standards could cause significant additional deterioration to highways. For instance, a California Department of Transportation study estimated that increasing axle weight limits from 18,000 to 20,000 pounds will shorten the design life of an arterial highway from twenty to sixteen years.

The U. S. Department of Transportation should complete as soon as possible the Cost Allocation Study to determine if each class of highway user is paying its fair share of costs to construct and maintain the highway system. The results may require changes in the current tax structure of the Highway Trust Fund.

The second set of issues not addressed in pending legislation involves energy development that is guided primarily by national circumstances and national policies. When these policies create severe transportation dislocations in a state or a particular part of a state, the federal government has an obligation to step in and offer some kind of impact assistance. I would also add that it is incumbent upon the individual states to take necessary steps beyond traditional highway user funding methods to deal with the energy impact problem. Increasing state mineral severance taxes to finance energy related transportation needs is a most appropriate strategy, one which Colorado needs to pursue with greater vigor. However, in our case, much of the impact need is in the form of highway/rail conflicts caused by interstate rail movements of coal. In that instance a federal solution is called for, perhaps funded by a federal energy impact tax.

I recognize that numerous strategies exist for pursuing upcoming highway legislation. Unless the Congress acts soon, there is a definite danger that no highway legislation will be enacted in this session, causing a severe disruption to the highway program. For instance, if the 1981 Interstate Cost Estimate (ICE) is not adopted by the Congress, Colorado stands to lose some $42 million of federal funds for repair and construction on the State's Interstate System. As a compromise among the various approaches I would encourage the Congress to enact a two-year measure which would redefine the Interstate Completion Program, extend the Highway Trust Fund, establish an Interstate Repair and Reconstruction Program, and make as many grant consolidations as possible. Then a five or six-year bill should be planned for 1983 to include an increase in user charges and further program changes. It is imperative that interim legislation also adopt a new Interstate Cost Estimate so the Interstate Program can continue in Fiscal Year 1982.

VI. CONCLUSION

Mr. Chairman, the challenges confronting us in Colorado represent only a small fraction of those facing the United States. It is obviously fallacious to multiply one state's needs by fifty to arrive at the measure of national needs. I trust I have been able to convey in this testimony that the needs in Colorado are different from those in most other states. The recommendations that I have outlined should allow Colorado and other states to serve the national purpose while meeting their individual needs in an efficient manner.

I thank you for this opportunity to appear before your subcommittee.

ATTACHMENT A

UNITED STATES, ROCKY MOUNTAIN WEST AND COLORADO POPULATION AND ANNUAL GROWTH RATES - 1970 to 2000

AREA	1970 CENSUS PERSONS	ANNUAL GROWTH RATE 1970-1980	1980 CENSUS PERSONS	ANNUAL GROWTH RATE 1980-1990	PROJECTED 1990 CENSUS PERSONS	ANNUAL GROWTH RATE 1990-2000	PROJECTED 2000 CENSUS PERSONS
	(Thousands)	(%)	(Thousands)	(%)	(Thousands)	(%)	(Thousands)
United States	203,306.0	1.1	226,504.8	0.7	243,004.0	0.7	259,869.0
Rocky Mtn. West	46,703.2	2.4	58,083.8	0.6	61,607.0	1.2	68,926.0
Colorado	2,209.6	3.1	2,888.8	1.8	3,409.0	1.4	3,892.0
Eastern Plains	133.3	0.4	138.3	0.5	144.7	0.4	150.3
Western Slope	229.2	4.3	328.3	2.3	404.2	1.7	474.8
Central Area	1,847.1	3.1	2,422.2	1.8	2,860.1	1.4	3,266.9
Denver Area	1,106.4	2.9	1,427.9	1.7	1,672.2	1.4	1,899.0
Arapahoe County	162.1	8.1	293.6	3.0	382.2	2.2	465.2
Douglas County	8.4	19.9	25.2	5.2	38.0	3.1	49.9
Jefferson County	235.4	5.8	371.7	2.5	465.4	1.8	549.8

SOURCES:

US Bureau of the Census, Illustrative Projections of State Populations by Age, Race, and Sex, 1975 to 2000 (Series II-B). CPR Series P-25, No 796.

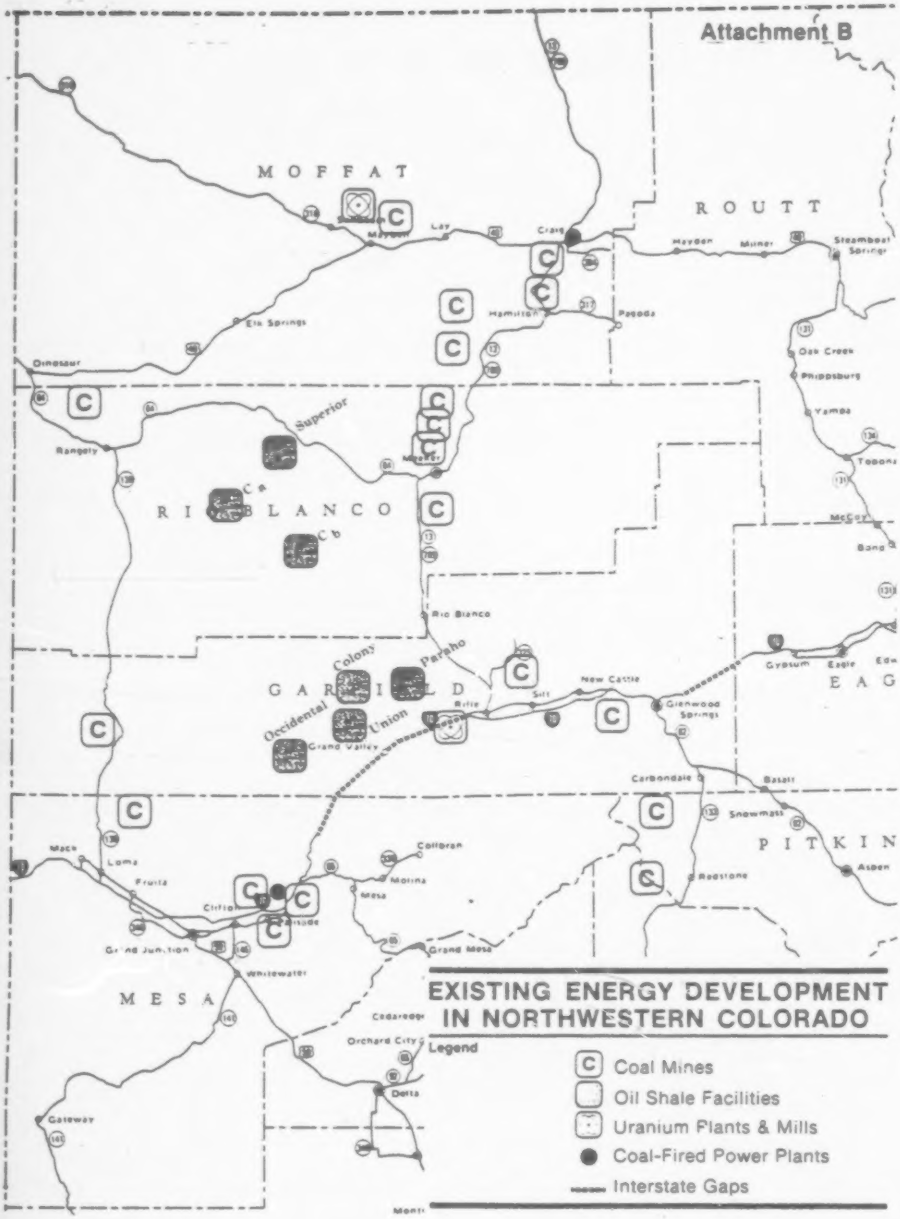
US Bureau of the Census, 1980 Census of Population and Housing, Advance Reports for States, Issued March 1981.

NOTE:

Rocky Mountain West includes Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, South Dakota, Texas, Utah, Washington and Wyoming.

CDOH-OMB
8/1981

Attachment B


MOFFAT
ROUTT
RIO BLANCO
GARFIELD
MESA
PITKIN
EAG
Craig
Hayden
Milner
Steamboat Springs
Lay
Maybell
Elk Springs
Dinosaur
Hamilton
Pagoda
Oak Creek
Phippsburg
Yampa
Toponas
McCoy
Bond
Rangely
Meeker
Superior
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Rio Blanco
Colony
Paraho
Occidental
Union
Grand Valley
Rifle
Silt
New Castle
Glenwood Springs
Gypsum
Eagle
Carbondale
Basalt
Snowmass
Redstone
Aspen
Mack
Loma
Fruita
Clifton
Palisade
Grand Junction
Whitewater
Collbran
Molina
Mesa
Grand Mesa
Cedaredge
Orchard City
Delta
Gateway
Legend
Coal Mines
Oil Shale Facilities
Uranium Plants & Mills
Coal-Fired Power Plants
Interstate Gaps

EXISTING ENERGY DEVELOPMENT IN NORTHWESTERN COLORADO

ATTACHMENT C

[redacted]
FOREST SERVICE, U.S. DEPARTMENT OF AGRICULTURE
BY AND THROUGH THE
REGIONAL FORESTER, ROCKY MOUNTAIN REGION (REGION 2)
AND
BUREAU OF LAND MANAGEMENT
U.S. DEPARTMENT OF THE INTERIOR
BY AND THROUGH THE
COLORADO STATE DIRECTOR
AND
FEDERAL HIGHWAY ADMINISTRATION
BY AND THROUGH THE
REGIONAL ADMINISTRATOR (REGION 8)
AND
COLORADO STATE DEPARTMENT OF HIGHWAYS
BY AND THROUGH THE
EXECUTIVE DIRECTOR

I. PURPOSE. This agreement:

A. Supplements the Memorandum of Understanding dated August 6, 1976, between the Bureau of Land Management's Colorado State Director and the Governor of Colorado, and supersedes the Memorandum of Understanding dated April 27, 1970, between the U.S. Forest Service and the Colorado Division of Highways.

B. Establishes procedures for coordinating matters related to Interagency highway planning and State highway use and occupancy of National Forest System Lands and Public Lands.

C. Establishes procedures to achieve the fullest cooperation possible in order to reduce duplication between National Environmental Policy Act (NEPA) and State requirements.

D. Includes the Federal Highway Administration as a vital party in coordination and NEPA matters.

II. AUTHORITIES

A. BUREAU OF LAND MANAGEMENT

1. Section 307(b) of the Federal Land Policy & Management Act (FLPMA) of October 21, 1976 (90 Stat. 2766).

2. Title V of the FLPMA.

3. Title 23 of the United States Code.

B. U.S. FOREST SERVICE

1. 36 CFR 212.

2. 36 CFR 251.

3. 40 CFR 1500 (CEQ Regulations).

4. Title 23 of the United States Code.

C. FEDERAL HIGHWAY ADMINISTRATION

1. Title 23 of the United States Code.

2. 1970 Federal Aid Highway Act (23 USC 109(h)).

D. COLORADO DEPARTMENT OF HIGHWAYS

1. CRS 43-1-101 et. seq. Highways and Roads.

2. CRS 43-1-224 Cooperation with Federal Departments.

III. RESPONSIBILITIES

A. The State is responsible for planning, route location, design, construction, and maintenance of the State's public highway system for the safety and welfare of the public and for the protection of the natural and human environment in highway activities; and,

B. The Forest Service is responsible for the protection and multiple use management of National Forest System Lands and resources for the use and benefit of the people of the United States, and for the development of a system of Forest roads to help accomplish these purposes; and,

C. The Bureau of Land Management is responsible for the protection and multiple use management of Public Lands and resources for the use and benefit of the people of the United States, and is vitally interested in the development of a public highway system which will integrate with other transportation facilities and provide access for use and enjoyment of Public Lands; and,

D. The Federal Highway Administration is responsible for compliance with the provisions and purposes of Title 23 USC and other Federal laws and policies affecting Federal Aid Highways. This includes assurance that all possible economic, social, and environmental effects of Federal Aid Highway projects are fully considered and that final highway related decisions are made in the best overall public interest.

IV. AGREEMENT PRINCIPLES. The parties hereto mutually agree as follows:

A. To cooperate in highway planning, route location, design, construction, maintenance, and signing in accord with the general principles outlined in the Colorado State Department of Highways Action Plan and with the specific procedures described in the Joint Action Plan which is attached and made a supplement to this Memorandum.

B. A separate Cooperative Agreement will be prepared if the exchange of funds, equipment, or supplies is necessary.

C. This agreement shall become effective upon the date last signed by all parties hereto.

D. Any of the parties may terminate the agreement by providing 30 days written notice. Unless terminated by written notice, by mutual amendment, or abolition of enabling authorities, this agreement will remain in force indefinitely.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the last date written below.

U.S. DEPARTMENT OF AGRICULTURE
FOREST SERVICE

BY: Craig W Rupp
Regional Forester
Rocky Mountain Region (Region 2)

DATE: 6/19/81

U.S. DEPARTMENT OF INTERIOR
BUREAU OF LAND MANAGEMENT

BY: George C. Francis
BLM State Director

DATE: 7/7/81

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

BY: A. J. Siccardi
Division Administrator
Colorado Division Office

DATE: 6/19/81

COLORADO STATE DEPARTMENT OF HIGHWAYS

BY:
Executive Director

DATE: 7/8/81

JOINT ACTION PLAN
BETWEEN
U.S. FOREST SERVICE,
BUREAU OF LAND MANAGEMENT,
FEDERAL HIGHWAY ADMINISTRATION,
AND
COLORADO STATE DEPARTMENT OF HIGHWAYS

I. GENERAL PROVISIONS

A. This Joint Action Plan establishes specific procedures for the coordination of highway planning, route location, design, construction, and maintenance in accordance with the Colorado State Department of Highways Action Plan, as amended, and approved by the Regional Federal Highway Administrator on June 11, 1979, (See Exhibit 1).

B. Actions detailed in this Plan will be coordinated between personnel at equivalent organizational levels within each agency. Unresolved problems and items requiring approval of higher authority will be referred to the State Department of Highways Executive Director, the Regional Forester, the BLM State Director, and/or the Regional Federal Highway Administrator for consideration.

C. Unless otherwise stated, 45 calendar days will be the normal period of time for replying to an environmental document. Notification will be provided as far in advance as possible prior to a meeting or planning action called for in this Joint Action Plan.

II. DEFINITIONS

A. BLM means: U.S. Department of Interior, Bureau of Land Management, Colorado.

B. State Director means: BLM State Director, Colorado.

C. District Manager means: The BLM's District Manager in Craig, Montrose, Canon City, or Grand Junction, Colorado (See Exhibit 2).

D. Public Lands means: Any land and interest in land (including minerals) owned by the United States within Colorao and administered by the Secretary of the Interior through the BLM State Director, Colorado, without regard to how the United States acquired ownership.

E. Forest Service means: The Rocky Mountain Region of the United States Forest Service, U.S. Department of Agriculture.

F. National Forest System Lands means: All lands, including National Grasslands, that are administered by the USDA, Forest Service in Colorado.

G. Regional Forester means: The Forest Service's Regional Forester for the Rocky Mountain Region (Region 2).

H. Forest Supervisor means: The Forest Service's Supervisors for National Forests headquartered in Fort Collins, Delta, Pueblo, Monte Vista, Steamboat Springs, Durango, or Glenwood Springs, Colorado. (See Exhibit 2).

I. FHWA means: The Colorado Division Office of the Federal Highway Administration, U.S. Department of Transportation.

J. CDH means: Colorado Department of Highways.

K. Executive Director means: CDH Executive Director.

L. District Engineer means: The CDH's District Engineers in Aurora, Pueblo, Grand Junction, Greeley, Durango, or Denver, Colorado.

M. Environmental Assessment means: A concise public document that serves to briefly provide sufficient evidence and analysis for determining whether to prepare an environmental impact statement or finding of no significant impact.

N. Environmental Impact Statement means: A detailed written statement as required by Section 102(2)(c) of the National Environmental Policy Act of 1969.

O. Lead Agency means: The agency or agencies preparing or having taken primary responsibility for preparing the Environmental Impact Statement.

P. Cooperating Agency means: Any Federal agency other than a lead agency which has jurisdiction by law or special expertise with respect to any environmental impact involved in a proposal (or a reasonable alternative) for legislation or other major Federal action significantly affecting the quality of the human environment.

Q. Major Project means: A major Federal or State action likely to cause significant changes in land use, planned growth, development patterns, traffic volumes, transportation services, public transportation, or affecting natural and manmade resources.

R. Intermediate Project means: A major Federal or State action which is determined to have no significant economic, social, or environmental effects.

S. Minor Project means: An action that does not individually or accumulatively have a significant effect on the environment or require substantial planning, time, or resources.

T. Conditions means: General terms of understanding between the CDH and BLM or USFS, which must be adhered to for the easement or grant to be issued and remain in effect.

U. Stipulations means: Specific grant or easement items agreed upon by both parties for a specific construction project.

V. Grant means: Conveyance of possession or title of property by Deed or formal writing.

W. Easement means: An acquired privilege or right of specific use which one party may have in the land of another.

X. Special Use Permit: A permit, usually issued by the Forest Supervisor, which allows occupancy, use, rights or privileges of National Forest System land. An "annual permit" is a special use authorization which provides permission (on an annual renewable basis) without conveying an interest in land, to occupy and use National Forest System land or facilities for specified purposes, and which is both revocable and terminable. A "term permit" is a special use authorization to occupy and use National Forest land, other than rights-of-way under Title V of FLPMA, for a specified period which is both revocable and compensable according to its terms. District Rangers may issue "temporary permits" for a period of 1 year or less.

The Forest Service may make an environmental assessment to decide whether or not to issue a special use permit.

Special use permits may be issued to the CDH without charge as provided by 36 CFR 251.2.

Y. Notice of Intent means: The publication in the Federal Register of a Federal agency's intended Major Federal Action.

III. RESOURCE PLANNING FOR PUBLIC LANDS. The BLM will:

A. Name one contact in each BLM District Office who will have the responsibility for insuring the dissemination of planning and environmental documentation for BLM Resource Plans to the CDH. This contact will provide up-to-date planning activity schedules, notices of public meetings, and review dates.

B. Solicit CDH participation in the development of plans, programs, and proposals for the management of Public Lands and consider those views in the decision process. CDH involvement in BLM's planning process will be coordinated through the mechanism established in August 6, 1976, Memorandum of Understanding between BLM and the Governor of Colorado.

IV. LAND AND RESOURCE MANAGEMENT PLANNING FOR NATIONAL FOREST SYSTEM LANDS

The Forest Service will:

A. Name one contact in each Forest Supervisor's Office who will have the responsibility for insuring the dissemination of planning and environmental documentation to the CDH. This contact will provide up-to-date planning activity schedules, notices of public meetings, and review dates.

B. Solicit CDH input into the development of plans, programs, and proposals for the management of National Forest System lands and consider those views in the decision process.

V. COORDINATION ACTIVITIES GOVERNED BY THE COLORADO STATE DEPARTMENT OF HIGHWAYS' ACTION PLAN

A. Phase I - Highway and Transportation Planning.

Step 1 - The CDH Division of Transportation Planning will notify the appropriate Forest Supervisor(s) and/or BLM District Manager(s) prior to the annual Commissioner/Engineering District public meetings which are held to discuss local or State-wide highway and transportation issues.

Step 4 - CDH's Long Range Planning Branch will provide the Regional Forester and the BLM State Director with a copy of the approved Colorado Highway and Transportation Report.

Step 6 - CDH District Engineers will review local project proposals included in the 5-Year Highway Construction/Improvement Program that might impact Public Lands or National Forest System Lands with the appropriate BLM District Manager and/or Forest Supervisor.

Steps 9 and 10 - The CDH Program Planning Branch will provide the Regional Forester and the BLM State Director with a copy of the draft and adopted 5-year Highway System Construction/Improvement Program and the Summary.

Step 12 - The CDH Budget Office will provide the Regional Forester and the BLM State Director with a copy of the Annual Construction Budget and Supplements.

B. Phase II - Route Location Process (Major and Intermediate Projects).

Step 1 - Upon project authorization, the Executive Director will notify the Regional Forester and State Director, in writing, that the CDH is inititating the route location process. For projects meeting categorical exclusion criteria (minor projects) this will be the only communication until design. If a different category or any special analysis is desired, the Regional Forester or State Director will normally respond within 21 days.

Step 2 - The CDH District Engineer will notify, in writing, the appropriate Forest Supervisor and/or the BLM District Manager of the project category designation (as major or intermediate) which has been assigned to a project impacting Public Lands or National Forest System Lands. If there is not enough information to designate a "Major" or "Intermediate" project at this early stage, the project will proceed as a major Federal action and a CDH intermediate project until an environmental assessment provides a basis for a firm category designation. The District Engineer will, as part of a project's early coordination, contact the BLM District Manager and/or Forest Supervisor to discuss (1) the scope of the issues and the anticipated impacts of the proposed action and (2) the role and extent of BLM and Forest Service participation in the environmental analysis. A reconnaissance map will be provided for this discussion. For projects involving both National Forest System Lands and Public Lands, the FHWA, CDH, BLM, and Forest Service will determine, by letter or memorandum, which agency shall be the Lead Agency (or joint Lead Agencies) and which shall be Cooperating Agencies, as defined by 40 CFR 1501.5 and 1501.6 (Council on Environmental Quality NEPA Regulations). The letter or memorandum will also indicate the Cooperating Agencies responsible for developing information and preparing environmental analyses including portions of the environmental document(s). (For Federal Aid Highway Systems and Projects, FHWA will normally be the Lead Agency and will delegate to the CDH, pursuant to 23 USC, the execution of environmental studies, design, and construction; in such cases FHWA retains approval authority and responsibility for compliance with NEPA. For non-Federal Aid Highway Systems and Projects, either the BLM or Forest Service will normally be the Lead Agency and may require the CDH, as applicant, to submit, pursuant to 43 CFR 1506.5, the necessary environmental documentation. In such cases, the Federal Lead Agency retains approval authority and responsibility for compliance with NEPA.)

Steps 3 and 5 - The CDH District Environmental Manager, under the direction of the District Engineer, will notify the BLM/Forest Service representative of the dates and locations of all public meetings.

Steps 4, 6, and 8 - Following designation of the Lead Agency, the Lead Agency shall determine the type of assessment to be prepared (as defined by 40 CFR 1501.7 "Scoping"), obtain public input as necessary, prepare the document, and prepare and document decisions regarding the action. The Lead Agency will afford the Cooperating Agency(ies) the opportunity to comment on the draft and will incorporate appropriate comments into the final document. The CDH's responsibilities under the National Environmental Policy Act will be discharged according to the CDH "Action Plan" under the auspices of the responsible Federal agency. The environmental documentation will be of sufficient detail so that the cooperating and permitting agency(ies) can process the right-of-way application, and discharge its (their) obligations under NEPA and other statutory requirements, including but not limited to, the following areas of concern:

1. The determination of the impact of the project upon parks, recreation areas, or wildlife and waterfowl refuges, in accordance with 23 USC 138 and 49 USC 1653 (f), Section 4(f) Statement.

2. The protection and enhancement of Historical and Cultural Resources in accordance with 16 USC 432-433, 43 USC 869, 16 USC 461, 16 USC 470, and Executive Order 11593.

3. The effects on Flood Plain Management in accordance with Executive Order 11988.

4. The effects on Roadless and Wilderness Areas in accordance with 16 USC 1131-1136 (1964 Wilderness Act) and 43 USC 1701 (FLMPA).
5. Areas of Critical Environmental Concern in accordance with 43 USC 1701-1702, 1711-1712 (FLMPA).
6. The effects on Prime or Unique Farmlands in accordance with 16 USC 590 a-f and g, 42 USC 4321 et. seg., and CEQ's August 30, 1976, Memorandum for Agency Heads, "Analysis of Impacts on Prime and Unique Farmland in Environmental Impact Statements."
7. Consultation with Fish and Wildlife Agencies in accordance with 16 USC 661-666 (c) (Fish and Wildlife Coordination Act).
8. Effects on Threatened and Endangered Species in accordance with 16 USC 1531-1534 (Endangered Species Act of 1973).
9. The Protection of Wetlands in accordance with Executive Order 11990.
10. Visual impacts in accordance with 43 USC 1701-1702, 1711-1712.
11. Effects on the objectives of Federal, Regional, State, and Local land use plans, policies, and controls for the area concerned in accordance with 43 CFR 1502.16(c) (NEPA regulations).

Additional environmental documentation requirements may be identified by the Cooperating Agency(ies) during the scoping process.

Mitigating measures will be identified in the environmental document(s). They will become the basis for STIPULATIONS developed and attached to grants and permits, as appropriate, by the Forest Service and BLM.

The District Engineer will notify the BLM District Manager and/or Forest Supervisor before commencing fieldwork on Public Lands or National Forest System Lands. The District Engineer will apply for permits from the BLM District Manager and/or Forest Supervisor before starting work for ground disturbing activities, such as surveys, controls on aerial surveys, or geotechnical investigations. The District Engineer will require employees who are responsible for such fieldwork to review permit requirements and limitations related to clearing, water quality, fire prevention, and cultural resource protection. The BLM District Manager and/or Forest Supervisor will furnish the CDH District Engineer available data and information on such matters as cadastral survey monuments, property line boundaries, maps, and access routes.

Step 10 - The CDH District Environmental Manager will provide the Forest Supervisor and/or BLM District Manager with a copy of the draft Environmental Impact Statement or Environmental Assessment and finding of no significant impact. This will be in addition to standard distribution to Department of Interior and U.S. Department of Agriculture.

Step 11 - The CDH District Environmental Manager will notify the BLM District Manager and/or Forest Supervisor of the date and place of the Location Public Hearing. When lands of both agencies are affected, the Regional Forester and BLM State Director may designate a single representative to coordinate the remainder of the route location, design, and construction processes.

Step 12 - The BLM and/or Forest Service will, following the Location Public Hearing, provide written comments to FHWA, with a copy to the CDH District Environmental Manager, concerning the draft Environmental Impact Statement or Environmental Assessment and finding of no significant impact. Comments shall be as specific as possible and may address either the adequacy of the statement or the merits of the alternatives discussed, or both.

The Forest Service/BLM shall specify in its comments whether it needs additional information to fulfill other applicable environmental reviews or consultation requirements and what information it needs. In particular, it shall specify any additional information it needs to comment adequately on the draft statement's analysis of significant site specific effects associated with the granting or approving by that Cooperating Agency of necessary Federal permits, licenses, or entitlements.

"When a Cooperating Agency objects to or expresses reservations about the proposal on grounds of environmental impacts, the agency expressing the objection or reservations shall specify the mitigation measures it considers necessary to allow the agency to grant or approve applicable permit, license, or related requirements or concurrences." (40 CFR 1503.3)

Step 13 - The CDH District Environmental Manager will provide the BLM District Manager and/or Forest Supervisor with a copy of the final Environmental Impact Statement or Environmental Assessment and Finding of No Significant Impact. The transmittal will include a Notice of Intent to apply for a right-of-way across Public Lands or National Forest System Lands, as appropriate.

C. Phase III - Preliminary Design Process (Major & Intermediate Projects).

Step 1 - The CDH District Environmental Manager will notify the BLM/Forest Service representative of the start of the preliminary design process and will solicit BLM/Forest Service input regarding principal and special design features. These features will include, but not be limited to, access to Public Lands and National Forest System Lands, planning for fire control, slash disposal, landscape management, water quality, erosion control, cultural resource protection, fencing, and signing.

Step 2 - The CDH District Environmental Manager will notify the BLM/Forest Service representative of the initial public meeting.

Step 5 - The CDH Staff or District Design Engineer will provide the BLM/Forest Service representative with two copies of the preliminary drawings and schedule a joint field review. The joint review will provide an opportunity to make design adjustments. The CDH District Engineer and BLM/Forest Service representative will discuss STIPULATIONS needed for construction matters and mitigating measures not covered by the plans and specifications. The Lead Agency representative will document the discussions and provide copies of the documentation to the BLM/Forest Service representative(s).

Steps 7 and 8 - Following the Design Hearing, if held, or the joint field review, the BLM/Forest Service representative will review the design comments and proposed STIPULATIONS with the BLM State Director/Regional Forester and will then send the design comments and the STIPULATIONS to the FHWA Division Administrator for concurrence. Following FHWA concurrence, the Forest Service/BLM will send the design comments and STIPULATIONS to the CDH District Engineer who will forward the STIPULATIONS to the CDH Chief Engineer. Upon signed concurrence with the STIPULATIONS by the CDH Chief Engineer and the FHWA Division Administrator, the CDH Staff Design Engineer will so notify the Regional Forester or BLM State Director and forward the STIPULATIONS to the Staff Right-of-Way Manager for inclusion in the right-of-way package. Conflicts regarding the STIPULATIONS will be resolved by the appropriate CDH District Engineer and Forest Supervisor and/or BLM District Manager. Conflicts which cannot be resolved at this level will be referred to the Regional Forester and/or BLM State Director and the CDH Executive Director for resolution.

Step 9 - The CDH District Environmental Manager will furnish the BLM/Forest Service representative with two copies of the approved Design Report and two copies of the FHWA Division Administrator's letter (for non-Certification Acceptance Federal Aid Projects or Highway Systems Projects) or Executive Director's letter (for Certification Acceptance Federal Aid Projects and non-Federal Aid or Highway Systems Projects) approving the Design Report. The approval letter shall state the findings relative to significant changes and the need, or lack thereof, for any supplemental or additional NEPA actions.

D. Final Design and Construction Process (Phase IV).

Steps 1 and 2 - The CDH Staff or District Design Engineer will, 2 weeks prior to a final BLM Forest Service field review, provide the BLM District Manager and/or Forest Supervisor with three sets of plans and applicable project special provisions. The highway plans and project special provisions will be reviewed in accordance with the NEPA document(s). Mitigating measures not adequately covered in the design will be included in additional STIPULATIONS to accompany the subsequent Forest Service Letter of Consent 1/ or Easement 2/ or BLM right-of-way grant.

Step 3 - Rights-of-way will be conveyed as follows:

1. Granting of rights-of-way for Federal Aid Highway Systems or Projects:

   a. The State's staff right-of-way branch will, upon internal authorization to acquire rights-of-way, initiate a request to the FHWA Division Administrator for a right-of-way across Public or National Forest System Lands and will provide the FHWA Division Administrator with three copies of the STIPULATIONS signed by the CDH Chief Engineer, three copies of RIGHT-OF-WAY PLATS and two copies of the draft easement deeds indicating the final right-of-way to be conveyed.

      The State's request will seek a right-of-way grant or easement deed from the United States to the State in accordance with the provisions of 23 USC 317 and 107(d) which authorize the Secretary of Transportation, acting through the Federal Highway Administration, to grant the right-of-way.

   b. The Federal Highway Division Administrator then forwards the request and a determination that the right-of-way is necessary for the project, two copies of the signed STIPULATIONS, and two copies of the RIGHT-OF-WAY PLATS to the Regional Forester or BLM State Director, as appropriate.

   c. The Regional Forester or BLM State Director will normally respond within 21 days. Agreement to the appropriation and transfer will be by a Letter of Consent (from the Forest Service) or right-of-way grant (from the BLM) to the FHWA Division Administrator. The Letter of Consent or grant will set forth the standard CONDITIONS and include (1) The signed STIPULATIONS which are necessary for the adequate protection and utilization of the Public or National Forest System Lands and (2) the final RIGHT-OF-WAY PLATS. (the standard CONDITIONS require BLM State Director or Regional Forester approval, as appropriate, of the final plans and specifications. Such approval does not relate to highway engineering functional items, but acknowledges requirements relating to BLM or Forest Service needs and measures to mitigate the impacts on Public or National Forest System Lands.)

1/ For Federal Aid Highway Systems or Projects

2/ For non-Federal Aid Highway Systems or Projects

d. The FHWA Division Administrator will forward the Letter of Consent and other documents to the Regional Administrator's Counsel who issues the easement deed. The Division Administrator will forward BLM right-of-way grants directly to the State.

e. The CDH Staff right-of-way branch will record the easement deed or right-of-way grant in the appropriate county records and send five conformed copies of the grant or deed to FHWA, who will then forward four copies to the BLM State Director or Regional Forester, as appropriate.

f. The Regional Forester will file a conformed copy of the executed highway easement deed for easements across National Forest System Lands with the State Office of the BLM.

2. Granting of Right-of-Way for non-Federal Aid Highway Systems or Projects.

   a. The CDH Staff Right-of-Way Branch will, upon internal authorization to acquire rights-of-way, initiate a request to the BLM State Director or Regional Forester for right-of-way across Public or National Forest System Lands. The State's request will be made in accordance with 16 USC 533, which authorizes the Secretary of Agriculture, acting through the Chief of the Forest Service, to grant the easement, or in accordance with 23 USC 107, 1317, which authorizes the Secretary of the Interior, acting through the BLM Director, to grant the right-of-way. The State's request will be accompanied by the signed STIPULATIONS and four copies of the RIGHT-OF-WAY PLATS indicating the final right-of-way to be conveyed.

   b. The BLM State Director or Regional Forester will, if the proposed project is satisfactory, grant a BLM right-of-way or USDA easement, respectively, to the State subject to the RIGHT-OF-WAY PLATS, the signed STIPULATIONS and approval of the final plans and specifications.

   c. The CDH Staff Right-of-Way Branch will record the right-of-way grant or easement deed in the appropriate county records, and send four conformed copies of the grant or deed to the BLM State Director or the Regional Forester.

   d. The Regional Forester will file a conformed copy of the executed highway easement deed for easements across National Forest System Lands with the State Office of the BLM.

Step 5 -Following the Final Office Review, CDH will provide two sets of plans and special provisions to the BLM State Director and/or the Regional Forester. They will, in turn, provide written notice of approval of the plans and special provisions:

1. In accordance with the Forest Service's Letter of Consent or BLM's right-of-way grant (for Federal Aid Highway Systems and Projects), with the notice to be furnished to the CDH Chief Engineer with a copy to the FHWA Division Administrator; or,

2. In accordance with the Forest Service's easement or BLM's right-of-way grant (for non-Federal Aid projects off of the Federal Aid System), with the notice to be furnished to the CDH Chief Engineer.

Such notice will acknowledge any additional agreements between the BLM District Manager or Forest Supervisor and the CDH District Engineér covering general construction requirements not included in the plans and project special provisions.

Step 7 - The CDH Staff Design Engineer will send the BLM/Forest Service representative a copy of the project advertisement and two sets of construction plans and project special provisions.

Step 8 - Construction:

1. The CDH District Engineer will notify the appropriate BLM District Manager and/or Forest Supervisor, in writing, of the award of the construction contract and will invite the BLM District Manager and/or Forest Supervisor to the preconstruction conference to explain the CONDITIONS, STIPULATIONS, functional plans (e.g. fire, erosion control, etc.), and Special Use Permits. At the preconstruction conference, the CDH District Engineer shall furnish the name and title of the State's representative on the construction project whom the BLM District Manager and/or Forest Supervisor, or their representative, should contact regarding matters related to the construction work.

2. For projects involving both the BLM and Forest Service, the BLM District Manager and Forest Supervisor may designate a single representative to work with the designated State representative on all matters pertaining to the construction work. The BLM/Forest Service representative(s) will coordinate the disposal of merchantable timber, revegetation of cut and fill slopes, demolition and/or relocation of government owned buildings and other improvements, and other details of construction not considered to be adequately covered in the highway plans and specifications. Any problems which cannot be reconciled at the BLM District Manager/Forest Supervisor/CDH District Engineer level shall promptly be referred through channels to higher authority for resolution.

3. The District Engineer will file applications in the appropriate BLM or Forest Service Office for any use or occupancy which is not covered by the CONDITIONS and STIPULATIONS of the right-of-way grant, Letter of Consent 1/, or Easement 2/. The easement/right-of-way granted to the State is strictly limited to use of the described right-of-way and the space above and below the established grade line of the highway pavement for the purpose of construction, operation, and maintenance of a highway in

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1/ For Federal Aid Highway Systems or Projects

2/ For non-Federal Aid Highway Systems or Projects accordance with the approved plans and does not include the grant of any rights for non-highway purposes or facilities. Other uses or occupancy of the right-of-way will not be made or permitted by BLM or the Forest Service unless said activity has been approved by the BLM District Manager or Forest Supervisor.

4. The CDH Project Engineer and the BLM District Manager and/or the Forest Supervisor will participate in joint construction inspections periodically to check compliance with the CONDITIONS and STIPULATIONS of the right-of-way grant, Letter of Consent 1/, or Easement 2/.

   In case of unresolved noncompliance, the BLM State Director and/or Regional Forester will notify the CDH Chief Engineer for corrective action.

5. The CDH Project Engineer will notify the BLM District Manager and/or Forest Supervisor when the project is ready for final inspection and arrange for a joint final inspection. The BLM District Manager and/or Forest Supervisor will, during the joint inspection, insure that all CONDITIONS and STIPULATIONS of the right-of-way grant, Letter of Consent or Easement, and supplementary Special Use Permits have been met. If the work is satisfactorily completed, the BLM District Manager and/or the Forest Supervisor will so notify the CDH District Engineer and the BLM State Director and/or Regional Forester.

VI. OPERATION AND MAINTENANCE

A. The CDH District Engineer will:

1. Request additional right-of-way appropriation for any construction, relocation, realignment, and/or improvement that exceeds any existing right-of-way appropriation for highway purposes.

2. Request appropriate written authorization from the BLM District Manager or Forest Supervisor for all routine operations and maintenance activities outside the right-of-way such as borrow pits, disposal areas, and avalanche control. The CDH may temporarily occupy National Forest System or Public Lands without permit in order to protect life or property in emergencies provided a Special Use Permit for such use is obtained at the earliest opportunity. To the extent possible, CDH will provide immediate telephonic notification to the BLM District Manager or Forest Supervisor of the nature of the emergency. Restoration of damage to National Forest System or Public Lands or resources will be accomplished at the expense of the CDH and immediately after the emergency has passed.

1/ For Federal Aid Highway Systems and Projects

2/ For Non-Federal Aid Highway Systems and Projects

3. Consult with the Forest Supervisor or BLM District Manager regarding proposed removal of signs within National Forest System or Public Lands boundaries as a result of the Colorado Outdoor Advertising Act.

B. The BLM District Manager or Forest Supervisor will:

1. Notify the District Engineer of planned BLM or Forest Service activities which may have an impact on highway operation and maintenance.

2. Expedite the review of CDH requests requiring BLM/Forest Service concurrence.

3. Obtain "Permit for Encroachment" from the CDH District Engineer for all new permanent road intersections to be constructed by the BLM or Forest Service which will connect with State and U.S. Highways.

   a. The BLM and Forest Service will stipulate in its permits to others that approval for road construction within the CDH right-of-way is contingent upon approval by the CDH for connections to State and U.S. Highways.

   b. Approved new permanent approaches to State and U.S. Highways on public land will be at the expense of the Forest Service/BLM, or its permittee. Future maintenance of such approaches within the State's highway right-of-way shall be by and at the expense of the CDH.

   c. Access to Interstate Highways will be only by way of established interchanges, except where knockout panels in fencing have been provided for emergency use.

   d. Temporary approaches required by the Forest Service or BLM during fire fighting operations or other emergencies may be constructed as necessary without formal approval by the CDH District Engineer. Obliteration of such temporary approaches and restoration measures necessary will be accomplished at the expense of the Forest Service or BLM and immediately after the emergency has passed.

VII. SIGNING ON STATE HIGHWAYS

A. The State will provide, erect, and maintain within the highway right-of-way, all regulatory and warning signs and the following signs requested by the BLM District Manager and/or the Forest Supervisor and to be agreed upon, in writing, by the CDH District Engineer, and which are in accordance with the Manual on Uniform Traffic Control Devices (MUTCD):

1. On Interstate Highways:
    a. Signs to indicate National Forest boundaries.
    b. Guide signs indicating areas on National Forest or Public Lands of significance to the traveler.
    c. Guide signs to Forest Service and BLM roads, trails, administrative stations, and public service facilities when applicable to a specific interchange.
2. On all other Federal Aid and State highways, subject to MUTCD provisions and BLM or Forest Service Specifications:
    a. Guide signs for Forest Service and BLM roads and trails, recreation sites, and administrative facilities.
    b. Signs for topographic features.

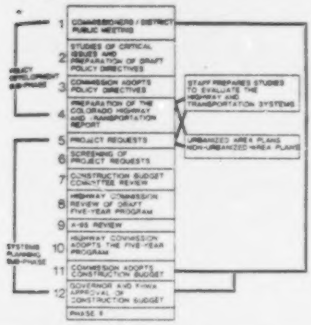
B. The BLM and/or Forest Service may provide, erect, and maintain within the highway right-of-way, the following signs agreed upon, in writing, by the CDH District Engineer.

1. On Interstate Highways: Fire information and prevention signs.
2. On Federal Aid and State highways other than Interstate:
    a. Special signs of historic or Forest management significance. These signs are not intended to be read by passing traffic. Each sign of this type must be considered separately, and will be installed only after consultation with the District Traffic and Safety Engineer as to location of the sign and its effect on traffic safety and highway management.
    b. Public Land or Forest boundary signs of standard BLM or Forest Service design.
    c. Fire prevention signs.

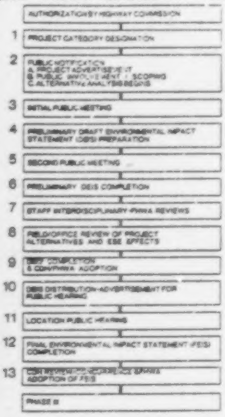
C. The BLM and/or Forest Service will, subject to availability of funds, provide, erect, and maintain signs for BLM and/or Forest Service roads and trails, recreation sites, and administrative sites for which the CDH has provided guide signs under paragraph A.1 above.

D. Signs installed or authorized by the BLM or Forest Service will not include names of commercial establishments, guides and outfitters, or private concerns.

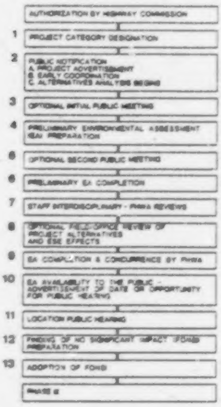
PHASE I
HIGHWAY AND TRANSPORTATION PLANNING
REPEATED ON AN ANNUAL BASIS


POLICY DEVELOPMENT SUB-PHASE
1 COMMISSIONERS / DISTRICT PUBLIC MEETING
2 STUDIES OF CRITICAL ISSUES AND PREPARATION OF DRAFT POLICY DIRECTIVES
3 COMMISSION ADOPTS POLICY DIRECTIVES
4 PREPARATION OF THE COLORADO HIGHWAY AND TRANSPORTATION REPORT
STAFF PREPARES STUDIES TO EVALUATE THE HIGHWAY AND TRANSPORTATION SYSTEMS
URBANIZED AREA PLANS
NON-URBANIZED AREA PLANS
SYSTEMS PLANNING SUB-PHASE
5 PROJECT REQUESTS
6 SCREENING OF PROJECT REQUESTS
7 CONSTRUCTION BUDGET COMMITTEE REVIEW
8 HIGHWAY COMMISSION REVIEW OF DRAFT FIVE-YEAR PROGRAM
9 A-95 REVIEW
10 HIGHWAY COMMISSION ADOPTS THE FIVE-YEAR PROGRAM
11 COMMISSION ADOPTS CONSTRUCTION BUDGET
12 GOVERNOR AND FHWA APPROVAL OF CONSTRUCTION BUDGET
PHASE II

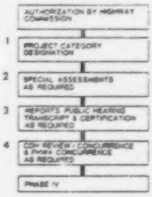
PHASE II
MAJOR PROJECTS - ROUTE LOCATION PROCESS


AUTHORIZATION BY HIGHWAY COMMISSION
1 PROJECT CATEGORY DESIGNATION
2 PUBLIC NOTIFICATION
A. PROJECT ADVERTISEMENT
B. PUBLIC INVOLVEMENT / SCOPING
C. ALTERNATIVE ANALYSIS BEGINS
3 INITIAL PUBLIC MEETING
4 PRELIMINARY DRAFT ENVIRONMENTAL IMPACT STATEMENT (DEIS) PREPARATION
5 SECOND PUBLIC MEETING
6 PRELIMINARY DEIS COMPLETION
7 STAFF INTERDISCIPLINARY-FHWA REVIEWS
8 FIELD/OFFICE REVIEW OF PROJECT ALTERNATIVES AND ESE EFFECTS
9 DEIS COMPLETION & CDH/FHWA ADOPTION
10 DEIS DISTRIBUTION-ADVERTISEMENT FOR PUBLIC HEARING
11 LOCATION PUBLIC HEARING
12 FINAL ENVIRONMENTAL IMPACT STATEMENT (FEIS) COMPLETION
13 CDH REVIEW/CONCURRENCE & FHWA ADOPTION OF FEIS
PHASE III

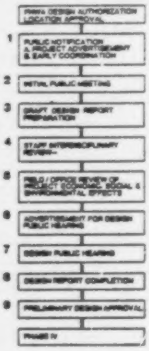
PHASE II
INTERMEDIATE PROJECTS - ROUTE LOCATION PROCESS


AUTHORIZATION BY HIGHWAY COMMISSION
1 PROJECT CATEGORY DESIGNATION
2 PUBLIC NOTIFICATION
A. PROJECT ADVERTISEMENT
B. EARLY COORDINATION
C. ALTERNATIVES ANALYSIS BEGINS
3 OPTIONAL INITIAL PUBLIC MEETING
4 PRELIMINARY ENVIRONMENTAL ASSESSMENT (EA) PREPARATION
5 OPTIONAL SECOND PUBLIC MEETING
6 PRELIMINARY EA COMPLETION
7 STAFF INTERDISCIPLINARY - FHWA REVIEWS
8 OPTIONAL FIELD/OFFICE REVIEW OF PROJECT ALTERNATIVES AND ESE EFFECTS
9 EA COMPLETION & CONCURRENCE BY FHWA
10 EA AVAILABILITY TO THE PUBLIC - ADVERTISEMENT OF DATE OR OPPORTUNITY FOR PUBLIC HEARING
11 LOCATION PUBLIC HEARING
12 FINDING OF NO SIGNIFICANT IMPACT (FONSI) PREPARATION
13 ADOPTION OF FONSI
PHASE III

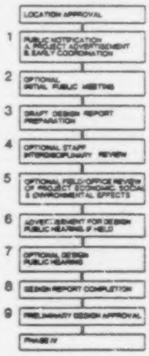
PHASE II
MINOR PROJECTS - ROUTE LOCATION PROCESS


AUTHORIZATION BY HIGHWAY COMMISSION
1 PROJECT CATEGORY DESIGNATION
2 SPECIAL ASSESSMENTS AS REQUIRED
3 REPORTS, PUBLIC HEARING TRANSCRIPT & CERTIFICATION AS REQUIRED
4 CDH REVIEW / CONCURRENCE & FHWA CONCURRENCE AS REQUIRED
PHASE IV

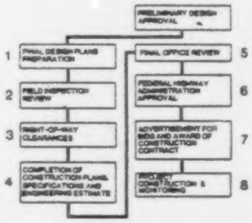
PHASE III
MAJOR PROJECTS - PRELIMINARY DESIGN PROCESS


FHWA DESIGN AUTHORIZATION LOCATION APPROVAL
1 PUBLIC NOTIFICATION
A. PROJECT ADVERTISEMENT
B. EARLY COORDINATION
2 INITIAL PUBLIC MEETING
3 DRAFT DESIGN REPORT PREPARATION
4 STAFF INTERDISCIPLINARY REVIEW
5 FIELD / OFFICE REVIEW OF PROJECT ECONOMIC, SOCIAL & ENVIRONMENTAL EFFECTS
6 ADVERTISEMENT FOR DESIGN PUBLIC HEARING
7 DESIGN PUBLIC HEARING
8 DESIGN REPORT COMPLETION
9 PRELIMINARY DESIGN APPROVAL
PHASE IV

PHASE III
INTERMEDIATE PROJECTS-
PRELIMINARY DESIGN PROCESS

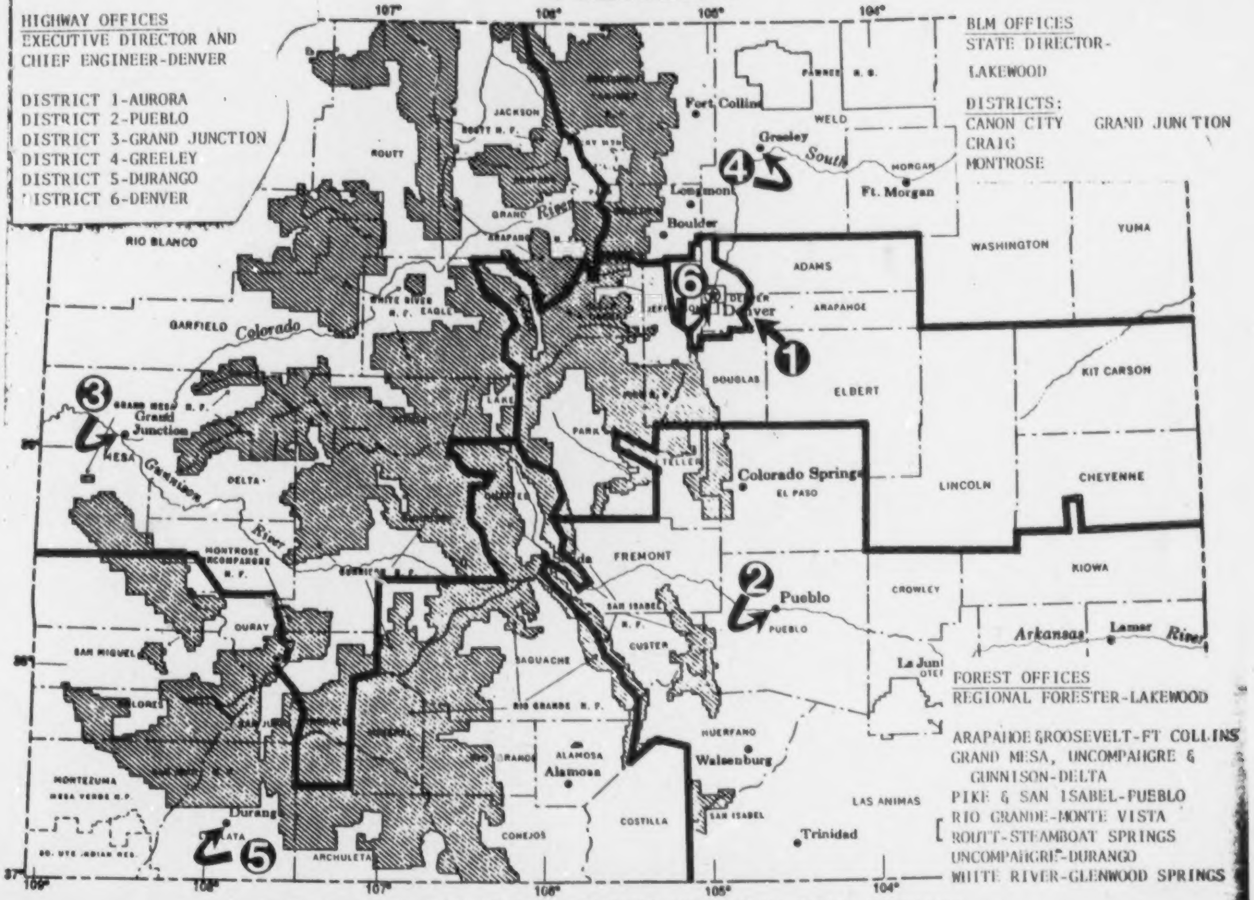

LOCATION APPROVAL
1 PUBLIC NOTIFICATION
A. PROJECT ADVERTISEMENT
B. EARLY COORDINATION
2 OPTIONAL INITIAL PUBLIC MEETING
3 DRAFT DESIGN REPORT PREPARATION
4 OPTIONAL STAFF INTERDISCIPLINARY REVIEW
5 OPTIONAL FIELD/OFFICE REVIEW OF PROJECT ECONOMIC, SOCIAL & ENVIRONMENTAL EFFECTS
6 ADVERTISEMENT FOR DESIGN PUBLIC HEARING IF HELD
7 OPTIONAL DESIGN PUBLIC HEARING
8 DESIGN REPORT COMPLETION
9 PRELIMINARY DESIGN APPROVAL
PHASE IV

PHASE IV
MAJOR AND INTERMEDIATE PROJECTS-
FINAL DESIGN AND CONSTRUCTION PROCESS


PRELIMINARY DESIGN APPROVAL
1 FINAL DESIGN PLANS PREPARATION
2 FIELD INSPECTION REVIEW
3 RIGHT-OF-WAY CLEARANCES
4 COMPLETION OF CONSTRUCTION PLANS, SPECIFICATIONS AND ENGINEERING ESTIMATE
5 FINAL OFFICE REVIEW
6 FEDERAL HIGHWAY ADMINISTRATION APPROVAL
7 ADVERTISEMENT FOR BIDS AND AWARD OF CONSTRUCTION CONTRACT
8 PROJECT CONSTRUCTION & MONITORING

MINOR PROJECTS-STEPS 2 AND 4 MAY BE COMBINED

COLORADO


HIGHWAY OFFICES
EXECUTIVE DIRECTOR AND CHIEF ENGINEER-DENVER
DISTRICT 1-AURORA
DISTRICT 2-PUEBLO
DISTRICT 3-GRAND JUNCTION
DISTRICT 4-GREELEY
DISTRICT 5-DURANGO
DISTRICT 6-DENVER
BLM OFFICES
STATE DIRECTOR-LAKEWOOD
DISTRICTS:
CANON CITY
CRAIG
MONTROSE
GRAND JUNCTION
FOREST OFFICES
REGIONAL FORESTER-LAKEWOOD
ARAPAHOE & ROOSEVELT-FT COLLINS
GRAND MESA, UNCOMPAHGRE & GUNNISON-DELTA
PIKE & SAN ISABEL-PUEBLO
RIO GRANDE-MONTE VISTA
ROUTT-STEAMBOAT SPRINGS
UNCOMPAHGRE-DURANGO
WHITE RIVER-GLENWOOD SPRINGS
107°
106°
105°
104°
108°
109°
37°
38°
39°
1
2
3
4
5
6
JACKSON
ROUTT
ROUTT N. F.
GRAND
RIO BLANCO
WHITE RIVER N. F.
EAGLE
GARFIELD
Colorado
GRAND MESA N. F.
Grand Junction
MESA
Gunnison
River
DELTA
MONTROSE
UNCOMPAHGRE N. F.
OURAY
SAN MIGUEL
DOLORES
MONTEZUMA
MESA VERDE N.P.
SO. UTE INDIAN RES.
Durango
ARCHULETA
CONEJOS
RIO GRANDE N. F.
SAGUACHE
ALAMOSA
Alamosa
COSTILLA
CUSTER
SAN ISABEL
SAN ISABEL N. F.
HUERFANO
Walsenburg
LAS ANIMAS
Trinidad
FREMONT
PARK
LAKE
TELLER
Colorado Springs
EL PASO
Pueblo
PUEBLO
CROWLEY
La Junta
OTERO
KIOWA
Arkansas
Lamar
River
CHEYENNE
LINCOLN
KIT CARSON
ELBERT
DOUGLAS
ARAPAHOE
ADAMS
Denver
DENVER
JEFFERSON
WASHINGTON
YUMA
MORGAN
Ft. Morgan
South
WELD
Greeley
PAWNEE N. G.
Fort Collins
Longmont
Boulder
ARAPAHO N. F.
River

COLORADO DEPARTMENT OF HIGHWAYS DISTRICTS AND NATIONAL FOREST BOUNDARIES

ADDITIONAL TESTIMONY BEFORE THE SUBCOMMITTEE ON TRANSPORTATION,
SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
AUGUST 14, 1981, BY JACK KINSTLINGER, EXECUTIVE DIRECTOR,
COLORADO DEPARTMENT OF HIGHWAYS:

With regard to the federally aided highway safety effort, we believe that results nationwide have been encouraging. According to a recent General Accounting Office Report, motor vehicle death rates nationally have shown substantial reductions because of this program.

In Colorado, we have experienced similar reductions. Since 1966, Colorado's death rate per 100 million vehicle miles traveled has decreased from 5.9 in 1966 to 3.5 in 1979. This reduction translates into 3,346 lives saved and 75,373 injuries prevented, with an economic benefit to Colorado of over $1 billion.

Colorado is one of the states considered to be a leader in the establishment of an aggressive highway safety program. As a result, we rank third lowest of the 13 western states in death rates, and we rank second in compliance with the 55 National Maximum Speed Limit.

The program, however, is not without its problems, and we urge Congress to make major changes.

First, highway safety efforts are fragmented at the national level. We recommend that all highway safety administration be placed under the Federal Highway Administration and not fragmented as it now is between the Federal Highway Administration and the National Highway Traffic Safety Administration.

Current federal direction and policies greatly restrict the state's ability to apply safety money to state identifed needs.

For example, the National Highway Traffic Safety Administration now intends to limit its Title IV monies to only four areas: emergency medical services, police traffic services, alcohol driving countermeasures, and traffic records.

In Colorado, emergency medical services and alcohol driving countermeasures have progressed to the point where they are self-supporting. It is not logical from a management standpoint to continue to expend federal dollars in these areas. However, we do need the flexibility to move into other safety areas that require assistance, such as assistance to the courts for processing traffic offenses more expeditiously and assistance to local communities to allow them to better detect and eliminate traffic hazards on local streets.

Secondly, I would like to add a final word concerning the transportation of hazardous materials. These comments will be made on behalf of Colorado State Senator Tilman Bishop, of Grand Junction, who, unfortunately, was not able to attend the hearing today. Senator Bishop is Chairman of the Colorado Senate Transportation Committee, as well as Chairman of the Transportation Committee on the National Council of State Legislators. Senator Bishop makes reference to S-960 concerning hazardous materials and urges that rail and truck haulers carrying cargo causing high level radiation of a nature and quantity that could create health and safety hazards be required to prenotify the appropriate state agency in each state through which they will travel. We here in Colorado have a good communications system and well-trained personnel in the state and local government and volunteer agencies able to respond effectively to any mishap involving the transportation of hazardous materials.

Senator Bishop and I both agree that federal legislation preempting state government and failing to require notification of the central state agency designated by the Governor would create dangerous situations and shut out the state agencies that have the capability and desire to provide protection against mishaps.

STATEMENT BEFORE SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE
SUBCOMMITTEE ON TRANSPORTATION
ON THE
PROPOSED FEDERAL AID HIGHWAY ACT OF 1981

DENVER, COLORADO, AUGUST 14, 1981

BY C. H. HUCKELBERRY

My name is Charles Huckelberry. I am the Director of the Pima County Department of Transportation and Flood Control District in Pima County, Arizona and Vice-President of the Arizona Association of County Engineers. Pima County is one of fourteen counties in Arizona and has a land surface of 9,240 square miles, a population of 531,000, and contains the City of Tucson which has a population of 340,000. I will address four principal issues regarding the proposed Federal Aid Highway Act of 1981. These are (1) deletion of the Priority Primary Program, (2) funding of the Interstate Substitution Program from the Highway Trust Fund, (3) federal participation in the Urban and Rural/Secondary federal aid programs, and (4) obligation limitations.

Priority Primary Program

The Federal Highway Act of 1981 (S.1024) as introduced by several members of the Senate Subcommittee on Transportation, and the Administration's Highway Program Proposal (S.841), contains provisions for deletion of the Federal Aid Priority Primary Program, thus abandoning Pima County in the middle of developing the single most important highway project in the Tucson metropolitan area. The project named in the Surface Transportation Assistance Act of 1978, provides for the extension of Kolb Road through Davis Monthan Air Force Base connecting the dense urban area of Tucson with the rapidly expanding high technology industrial area of metropolitan Pima County.

Because of rapid population growth, providing urban infrastructure, particularly highways of regional importance such as those in the Kolb Corridor, has become nearly an impossible task for local governments in Pima County. The population of Pima County increased from 350,000 in 1970 to 531,000 in 1980 and is expected to be over 700,000 by 1990. Almost all of this population growth has been as a direct result of national population migration.

The present inflexibility of existing apportionment formulas and federal-aid system designations does not help rapidly expanding urban areas provide the transportation systems necessary ro accommodate population growth and maintain economic vitality. The designation of the Kolb Corridor as a priority primary route eligible for discretionary Priority Primary funds provided hope that the federal government would play a role in assisting Pima County in solving its transportation problems caused principally by national population migration.

Pima County is not asking for federal assistance to resolve a long standing local transportation problem. The citizens of Pima County have taken unprecedented actions to solve such problems. They have collectively incurred the largest general obligation bond debt in the State of Arizona--over 110 million dollars in the last two years. In fact, in this era of tax cut initiatives, the people of Pima County by over a two-thirds margin approved eighteen million dollars in bonds to provide local matching monies for Kolb Corridor federal-aid Priority Primary funds.

To date, over one million dollars and four years have been consumed in bringing the Kolb Corridor through the mandated federal highway development process. At a time when we have cleared the last hurdle and are proceeding toward initiation of construction in the Kolb Corridor, you are contemplating deletion of the Priority Primary Program. Without the Priority Primary Program, it will be impossible to begin, let alone complete, the Kolb Corridor project. We ask you to consider continuing the Priority Primary Program at least until those projects originally carrying Priority Primary designations, such as the Kolb Corridor, can be completed.

Interstate Substitution Program

Pima County and the City of Tucson jointly withdrew the Interstate I-710 route from the interstate system several years ago making Pima County and the City of Tucson eligible for funding from the Interstate Substitution Program. Pima County and the City of Tucson have jointly planned urban transportation improvements to be funded with Interstate Substitution funds. We have, over the past four years, proceeded through the federal highway development process to bring the Interstate Substitution projects to construction. Major construction is anticipated to begin in federal fiscal year 1982.

Historically, allocations of Interstate Substitution Funds have been difficult to obtain because of funding reliance on the general fund. It is believed that the availability of Interstate Substitution funds will greatly improve by funding the program through the Highway Trust Fund. For this reason, Pima County supports funding the Interstate Substitution Program from the Highway Trust Fund.

Urban, Rural/Secondary Federal Aid Programs

As Vice-President of the Arizona Association of County Engineers, and on behalf of the association, the Administration's proposal to delete the Urban, Rural/Secondary federal aid program is unacceptable. The programs, as structured, fund only a small portion of local government's highway and transportation investment requirements. There is clearly a federal role in these programs, and to abandon them as suggested in the Administration's bill is extremely unwise. A more prudent course of action has been taken in the Senate Subcommittee on Transportation's proposed Federal Aid Highway Act of 1981 (S.1024). While the degree of participation by the federal government may be debated, it is felt that the fifty percent funding level should be viewed as the absolute minimum federal participation. We would ask that any reduction of the federal funding level be accompanied by a proportional reduction in federal red tape.

Obligation Limitations

Before I close, I would like to say a word about obligation limitations. The present limitations placed on Highway Trust Fund expenditures does a double disservice to the highway taxpayer. Because obligation limitations delay highway improvements, the users first pay more out-of-pocket costs by driving on congested and unsafe facilities longer, and second they ultimately pay more because implementation costs increase simply as a result of monetary inflation. User-benefit taxation is the most efficient and equitable form of taxation derived by western democratic governments. To distort this principle through obligation limitations undermines the entire user-benefit taxation principle; therefore, Pima County and the Arizona Association of County Engineers urges for the benefit of the taxpayer that obligation limitations be removed from the proposed Federal Highway Act of 1981.

TESTIMONY OF THE DENVER REGIONAL COUNCIL OF GOVERNMENTS
BEFORE THE TRANSPORTATION SUBCOMMITTEE
OF THE
UNITED STATES SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE

August 14, 1981

Mr. Chairman, members of the subcommittee, I am William Thornton, Mayor of the Town of Bow Mar, Colorado, and Member of the Denver Regional Council of Governments. I appreciate this opportunity to provide testimony regarding Federal-aid Highway program needs in the Denver region.

The Denver Regional Council of Governments is a voluntary association of 42 cities and counties in the Denver metropolitan area established pursuant to the laws of the State of Colorado to promote intergovernmental cooperation and carry out regional planning activities. Organized in 1955 by its member counties in response to local needs, the DRCOG carries out a comprehensive planning program including planning for the region's growth and development, sewer and water facilities, parks, recreation and open space, low and moderate income housing, services to the aging, criminal justice planning and assistance, ride-sharing services, and transportation.

With regard to transportation, the DRCOG has been designated by the Governor as a Metropolitan Planning Organization pursuant to Section 134 of Title 23. Policy for the organization is established by a Council of local elected officials from each of our member governments. On transportation matters this Council is advised by a Transportation Committee composed of representatives from our Regional Transportation District and State Highway Department as well as elected officials from the Council. In its capacity as an MPO, the DRCOG carries out annual transportation planning programs designed to meet local needs and requirements as well as respond to federal objectives. In the course of discharging its responsibilities the Council has been intimately involved in programming decisions concerning the local expenditure of federal highway and urban mass transportation funds. This experience includes allocation of Federal-aid urban system funds to the suburban Denver area since early 1974, leadership in the withdrawal of the former Interstate 470 and the transfer of those funds to other projects, the selection of Interstate substitution projects, and annual preparation and adoption of a five-year Transportation Improvement Program.

Within the context of this experience the Denver Regional Council of Governments wishes to address itself to a number of issues being considered by the subcommittee.

1. Interstate Transfers and Substitution Projects

The Interstate transfer program has provided the Denver region with the opportunity to utilize funds originally earmarked for a single facility to support twelve separate projects designed to improve highway and public transportation mobility in the metropolitan area. Approximately 250 million dollars in current dollars have been allocated to these projects. While some projects, such as the CBD transitway mall, are currently under construction and others are in various stages of development, this program has not been without its problems. Numerous bureaucratic delays and the ravages of inflation have taken their toll. However, we remain committed to the necessity of completing these important projects as rapidly as possible. To this end the Denver Regional Council of Governments urges the Congress to enact highway legislation which provides for funding of highway related Interstate transfer projects from the Highway Trust Fund rather than from general funds. In addition, we urge the subcommittee and Congress to carefully examine the level of federal commitments to Interstate transfer projects nationally and provide appropriations at a level sufficient to honor these federal commitments. At the time local governments in the Denver area acted to transfer Interstate 470 funds they did so with the understanding that the federal government would live up to its commitments to fund interstate transfer projects. In this regard we are very concerned that Congress may not be appropriating sufficient funds to meet, not only our own requirements here in Denver, but also interstate transfer obligations incurred in other parts of the country.

2. Federal Aid Urban System Program

Perhaps the most important federal-aid highway program to local governments in our region is the Federal-aid urban system program. Since inception of the program in 1973, the Denver Regional Council of Governments has allocated approximaely 25 million dollars to needed highway projects in the suburban Denver area. The City and County of Denver has also received similar funds for necessary highway projects within its jurisdiction. An important aspect of this program is that it is the only federal-aid highway program in which local government officials have the opportunity to select and prioritize the projects that they believe to be necessary and appropriate on a regional scale. Here at the Denver

Regional Council of Governments we have established a process for selection of projects based upon detailed assessment of need and consistency with the continuing cooperative transportation planning process. In addition, project selection is responsive to federal energy and clean air objectives.

Local governments in the Denver metropolitan area support this program and urge its continuation. The Denver region is a rapidly growing and expanding area. Much of this expansion is a direct result of the private sectors response to the Nation's energy needs. The Denver region is fast becoming the headquarters for energy development and exploration in the entire Rocky Mountain west. This growth is straining the region's infrastructure and particularly the ability of our local governments to provide necessary street and highway facilities.

The DRCOG, therefore, strongly supports the continuation of the Federal-aid urban system program and maintenance of local governments' ability to select the projects for construction. Further, we urge that adequate funding levels be provided to this important program. Regarding funding levels, we are particularly concerned that since the inception of the program in 1973, the total appropriation for the program has remained relatively constant despite the significant inflation that has taken place since that time. In addition, we are deeply concerned that local match requirements would be substantially increased under Senate Bill 1024. The majority of our local jurisdictions would have great difficulty raising adequate revenue to meet a fifty percent match requirement. If a fifty percent match requirement is, in fact, finally approved, we then ask the Congress to consider further modification in the program to allow local governments the opportunity, where

V5

the capacity exists, to process and construct their own projects to standards in line with the nature of the local project rather than to current rigid federal design standards. Thus, if the local governments are to be required to put up half of the total project cost, design and construction flexibility must be provided.

3. Rideshare Activities

The Denver Regional Council of Governments has carried out an active program to encourage carpooling and other forms of ridesharing since 1975. A major focus of these activities has been the provision of a carpool matching service for use by individuals and employers from throughout the region. It is estimated that in 1980 alone the DRCOG carpool program has saved an estimated 85 thousand vehicle miles of travel per day or 22.1 million miles per year. This savings translates into 1.6 million gallons of fuel saved per year and an estimated reduction in air pollution of 7.1 tons of carbon monoxide per day.

DRCOG's rideshare program has been carried out largely through allocation of Federal-aid urban system funds by the local governments of the region. As highway needs in the metropolitan area increase annually, even the relatively small amounts earmarked for ridesharing services become problematic. With increasing pressures on Federal-aid urban system funds, financing of ridesharing activities cannot continue indefinitely. Other means of financing this important program will be necessary. Therefore, the Denver Regional Council of Governments encourages the subcommittee to consider mechanisms for providing continuing support to this necessary and worthwhile endeavor. Encouraging ridesharing responds directly to federal energy and air quality objectives and thus it is appropriate for the federal government to support this important alternative means of transportation. We encourage the Committee to examine the benefits attributable to ridesharing and provide a continuing base of support for local ridesharing programs.

4. Metropolitan Planning Organizations

As noted earlier, the Denver Regional Council of Governments is a designated Metropolitan Planning Organization under Section 134 of Title 23. Since designation we have found this process to be an important and significant mechanism for involving local general purpose governments in transportation planning and programming. Prior to DRCOG being designated an MPO, the local governments in the Denver region had little opportunity to work as equals with our State Highway Department and public transportation agency. The MPO planning process has provided us with an opportunity to enter into direct dialogue and negotiation with those entities regarding transportation facilities and services that will serve local governments we represent. We are encouraged that the Senate Bill does not alter Section 134. We strongly believe that the MPO process is a vital element in transportation decision making and has been the mechanism for allowing local elected officials to joinly plan and set the transportation priorities they believe to be most beneficial to their region.

I appreciate the opportunity to testify today before this Subcommittee and present to you some of our concerns as an organization of local elected officials and the Metropolitan Planning Agency serving the Denver region.

SUMMARY

This testimony makes the point that considering monetary losses, suffering and grief, the national toll from highway traffic crashes is significantly greater than the national toll from crime. As such, the witness makes the plea for a National Commitment to highway safety.

Several examples are given of effective local highway safety efforts. However, due to state and local funding shortages, as well as federal curtailment, these programs and their implementation elsewhere could be in jeopardy.

TESTIMONY
OF

RICHARD E. KIENAST

SHERIFF OF PITKIN COUNTY, COLORADO

BEFORE

THE UNITED STATES SENATE

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

SUBCOMMITTEE ON TRANSPORTATION

STEVE SYMMS, CHAIRMAN

AUGUST 14, 1981 DENVER, COLORADO

TESTIMONY
OF
RICHARD E. KIENAST
SHERIFF OF PITKIN COUNTY COLORADO
BEFORE
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I am pleased to be before this committee this afternoon. I ran for Sheriff on a platform of protecting the life and property of our citizens. The people of Aspen and Pitkin County have elected me twice. Prior to my election, while researching the specific programs and policies I wanted to institute, ~~it~~ became clear, very clear, that the greatest threat to the life and property of Pitkin County citizens was not, as so often perceived, crime: but was traffic crashes on our mountainous, often snowy highways.

LOSSES FROM TRAFFIC CRASHES EXCEED LOSSES FROM CRIME

Further research showed that our local situation was not unique. Monetary losses from traffic crashes far exceeded monetary losses from crime, not only in Pitkin County or Colorado - but nationwide. Let me illustrate with 1979 statistics.

AREA	MONETARY LOSSES FROM CRIME	MONETARY LOSSES FROM TRAFFIC CRASHES
Pitkin County	$ 695,000	$ 2,809,000
Colorado	59,600,000	375,000,000
Nation	4,600,000,000	27,500,000,000

These statistics tell only part of the story. The dollar figures in no way indicate the grief and suffering associated with traffic crashes or with crime.

Loss of life or limb or mental anguish is a serious matter - not only for the victim, but for all who know him or her. We all have been told how the deaths and injuries annually on our highways far exceeded those during the worst years of the Viet Nam war. We all have been told that our highway crashes wreak more havoc than any other single disease, or all other accidents combined. We have even been told that the odds are one out of seven that we will be severely injured or killed in a motor vehicle crash during our lifetime. (A statistic we oftentimesconveniently forget.)

We have seen how the threat to property from crashes far exceeds that from crime. What about the threat to life represented by each? Again, in 1979, traffic crashes killed 52,800 people, 26,000 caused by drunk drivers. In the same year, 21,500 people were murdered. All other violent crimes, rape, robbery and aggravated assault, totaled approximately 1.2 million. Disabling injuries on our highways totaled two million. All crimes totaled approximately 12 million; traffic crashes over 18 million. Thus, we see that although we are only one and a half times more likely to be the victim of a highway crash than we are to be the victim of a crime, we are twice as likely to be injured or killed on the highway as to be raped, robbed, assaulted or murdered. And we can expect our monetary losses to exceed that from theft by a ratio of six to one.

It seems to me that a concerted effort to improve the safety of our nation's highwaysand quell some of these losses needs to be given top priority based on economic, social, and humanitarian concerns. Even though I am as concerned as any other law officer with reducing crime, I am convinced that improving highway safety is as high or a higher priority in protecting the life and property of Americans. I feel that we should make a national commitment to highway safety, and that this commitment should be reflected in the allocation of monies from the Highway Trust Fund.

LOCAL HIGHWAY SAFETY EFFORTS

In my own jurisdiction I place heavy emphasis on highway safety and traffic law enforcement. I am one of the few Sheriff's who do this. In cooperation with other County officials I have undertaken an extensive program of engineering surveys, selective traffic enforcement programs, special training programs for my officers, and cooperative highway safety programs with other police agencies.

All of the roads in our county have been surveyed as to safety hazards and accident locations as well as road conditions, and we know what needs to be done and where. What we don't know is where the money will come from for these improvements, and when they can be implemented. We were aided in this study by a grant from the Colorado Division of Highway Safety, the pass-through agency for federal highway safety funds. We were also aided by the research done in other locales, both funded by and promulgated by federal highway safety money.

In Pitkin County we have also instituted a high officer visibility program by providing each officer with a personal, marked patrol vehicle, thereby increasing the fleet of patrol cars threefold. My officers use these vehicles both on and off duty within the geographical bounds of our County. As a result, Sheriff's officers are in frequent view of both local residents and visitors. We believe that nothing motivates good driving better than this high visibility of patrol cars.

We also initiated several special training programs for our officers. All officers are trained in traffic crash investigation as well as traffic enforcement procedures. This is not usual in Sheriff's departments. All must now attend a two day course specifically on driving under the influence (D.U.I.) enforcement. All are required to become EMT's - Emergency Medical Technicians. This is valuable not only for initial response to traffic crashes, but to any serious medical emergency. In the last four years, we estimate that at least two people per year are now alive today because of this training.

The result of our county-wide programs has been outstanding. For four years we have had a steadily declining rate of serious accidents in the county in spite of drastically increasing traffic volumes, and a significant increase in traffic crashes across the State of Colorado and the nation.

A LOCAL ALCOHOL PROBLEM AND HOW WE HANDLED IT

But even with these programs, from time to time, special problems arise that must be dealt with. One surfaced last year. After about four years of steady decline in injury and fatal accidents, we had a disturbing climb in these serious traffic crashes. What was most curious was that this increase in serious crashes occurred at the same time that there was an 18% decrease in total crashes. Analysis showed a distressing increase in alcohol related accidents.

While Colorado's statewide rate for alcohol involvement in fatal traffic crashes is 48%, similar to the national figure, last year in Pitkin County it was 71%. Something clearly had to be done.

Our roads are mountainous, most are narrow and underdesigned for the traffic they are forced to handle, and all could stand improvement. Surely inadequate roads were not helping the accident situation, alcohol problem or not. But there was no money, either in the state or county,for any significant road improvements. This, however, did not preclude an operational improvement.

Our five local police agencies in the County banded together in a cooperative education-enforcement campaign to alert the public to the severity of driving under the influence. We broadcast the shocking statistics of the recent past; we alerted the public to alternative forms of transportation, including an offering of rides from our officers to persons who would rather ride than drive after a night of partying; and we announced the beginning of an ongoing series of police patrols during the times of heaviest DUI incidence. Twenty patrol cars descended upon the roads of Aspen and Pitkin County one weekend night for our first DUI saturation patrol. We made 27 arrests.

For the next several weeks we engaged in an extensive media campaign. We solicited, and got, extensive public support. The second DUI patrol, one month later, netted us only 11 arrests. The efforts at public education and saturation patrols continues to this day.

The public has remained unanimously supportive, which has motivated our officers to continue rigorous enforcement efforts on their own initiative outside of the saturation evenings. As a result, total DUI arrests have risen threefold in the past year. But this is not the most important statistic. The important statistic is that alcohol related fatal accidents have dropped from a rate of 8 per year to just 2 per year. Injury related accidents and traffic crashes in general are also significantly down. Incidently, our cab companies are reporting a large ridership increase during the late night hours, especially on weekends.

The cost of our alcohol program so far has been on the order of $8,000. The benefits -- we really don't know, they are difficult to measure with precision, especially when they are combined with our other programs. However, if we saved just one life, a likely conjecture based on the evidence, we saved 20 times what we spent, if we use the National Safety Council figure of a societal cost of $160,000 per traffic fatality. And that is a figure that doesn't even pretend to measure the cost of suffering and grief.

CURTAILMENT OF HIGHWAY SAFETY PROGRAMS

We think we have one of the most effective alcohol programs in the country. We have tremendous local support. The program is relatively inexpensive. But we fear we may have to discontinue this program. One of our most important cooperating agencies, the Colorado State Patrol, will not be able to continue participation because of state level funding cut-backs. In our own county, the voters passed a law that effectively limits us to 1979 taxation levels. In such a situation we could look to Federal sources to pick up these funding cuts, but our previous experience with our Division of Highway Safety, the local funnel to federal safety dollars, has been disappointing.

FEDERAL RED TAPE

In an attempt to obtain federal funding for many of our past highway safety programs, I have made several proposals to the Colorado Division of Highway Safety. One of these proposals concerned our very successful patrol car plan as an element of an all-inclusive total traffic safety program on the county level.

We were told to be imaginative and innovative in our proposal. We spent much time and money in its preparation, trying to develop a comprehensive program including engineering studies and training developments, as well as an enforcement program. What was the response to our proposal? We were confronted with a morass of bureaucratic red tape and a final response that it could not be funded because it was too comprehensive, too innovative, and that "nothing like this had ever been funded before." A good object lesson in dealing with bureaucrats? Yes. A total waste of time? No. It allowed us to develop our overall program, provided needed information, and ultimately provided some piece-meal financial help in certain areas.

As it turned out, we have executed all of our proposals ourselves -- and the results have been excellent. As mentioned earlier, our traffic crash incidence went down, and stayed down.

FEDERAL FUNDS ARE NEEDED FOR HIGHWAY SAFETY

I am aware that it is the intention of the Reagan Administration and this Congress to have the localities take care of their own needs, and to get the Federal Government out of local affairs. I am not opposed to that philosophy -- and we did take care of ourselves. But where the spirit is willing, the budget is often lacking. The funds simply don't exist for the required national commitment to highway safety at the local level.

While we have made great strides in highway safety in our county we have done so by using the results of the national program of research and technology. We have used computer generated patrol schedules, new types of signs, sign supports, guardrails and delineation techniques, and new alcohol countermeasures that were years in development and testing. Only a national safety program can assign the teams of engineers, psychologists, law enforcement specialists, and technicians, and perform the testing required to bring such improvements on line. And only a national effort can provide the vital information transfer so necessary to teach local officials how to implement successful safety measures and to show them how to avoid outdated, uneconomic or ineffective programs.

It is clear that highway safety is a national concern that requires a national response. Even though throughout America the roads are local, travel on them is not limited to local residents. For instance, Pitkin County has a population of about 10,000 local residents. But during ski season, or during the summer, that population swells to over 50,000. These additional people come from the rest of the country and contribute to our highway safety problem. These visitors, who total over a million each year, also need to be protected from our highway safety problem. A person injured on a road in Pitkin County is no different from a person injured on a road in New Jersey. The nation suffers a loss from all traffic crashes and it is incumbent upon the nation as a whole to do all it can to reduce this loss.

A LOOK AT THE PROPOSED LEGISLATION

It was in hopes of finding such a national commitment to highway safety that I examined the two bills before us today. For the five year life of the bills,here is what I found:

Towards completion of 1500 miles of interstate highway: $17.8 billion in S. 841 and $17.1 billion in S. 1024.

To maintain and repair the interstate: $8.9 billion in S. 841 and $7.7 billion in S. 1024.

To fix bridges: $6.3 billion in S. 841 and $5.9 billion in S. 1024.

To build and maintain the Primary system: $8.6 billion in S. 841 and $7.8 billion in S. 1024.

To build and maintain the Secondary system: nothing after 1983 in S.841 and a decreasing amount per year in S. 1024.

For the Federal commitment to highway safety: $0.6 billion in S. 841 and $0.25 billion in S. 1024.

Rather than a commitment to a national program of highway safety, these bills appear to indicate a divorce from any such commitment.

Presently, the federal government spends $600 million per year on highway safety -- or $3 billion in a five year period. Highway safety programs are shown over and over again to be effective and cost beneficial. To cut these programs to this drastic extent; 80% in S. 841 and 92% in S. 1024, is unconscionable. How can we exploit our investment in safety research and development if there are no funds available to implement the new technology?

I must also protest the curtailment of secondary/rural funds in the Subcommittee's bill, and abandonment of this program in the Administration's bill. Two thirds of all deaths on our highways take place on rural two-lane roads. Commitment to solving this safety problem was made in the Highway Safety Act of 1973. By 1978, Federal Highway Administration data showed that life savings from this program could be estimated at 5,600 less fatalities and from 18,000 to 46,000 less serious injuries. With such positive, proven results, are we now going to say, this is not an appropriate expenditure of federal monies?

Again from a local perspective, only 8% of Pitkin County's roads are on the Primary system. All the rest are on the Secondary system or are off the Federal Aid system. These roads serve millions of national and international visitors as well as the local population.

I think you will find there are plenty of ways to increase funding for highway safety without increasing the overall highway budget. For example:

> $17.8 billion is budgeted towards completing the interstate system over the next five years, a third of what the General Accounting Office says it will cost to finish the system by 1990. 1500 miles of interstate roads remain to be completed, at an estimated cost of $54 billion. Is "completion at any cost" worth the reduction in safety expenditures elsewhere?
>
> A 1980 Highway Users Study concluded that it will cost an average of $973 million per year to maintain and repair the interstate system for the next 20 years. Why, then, do these bills provide over $2 billion per year in the interstate "4R" category for this purpose? Certainly other needs are evident to prevent placing excess funds into a category that only serves 1% of our nation's highways.

CONCLUSION

Highway Safety is a major problem in America. It is, if not more so, then at least as serious as crime. Two things must happen to the highway safety program in these bills. First, the highway safety program must be supported with sufficient funds to make it truly effective. Second, recognition that the major safety problems are on secondary/rural roads should be recognized in funding priorities.

I urge you in the strongest possible terms to rethink the priorities in these two bills, and to shift it to an effective national commitment to highway safety. We have made this commitment in our local community. Will this Subcommittee and the Congress make it on the national level?

Thank you.

TESTIMONY OF
ROBERT W CHILD
SECRETARY-TREASURER
NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
AND
CHAIRMAN
PITKIN COUNTY BOARD OF COUNTY COMMISSIONERS

I am speaking before you today as the Secretary-Treasurer of the Northwest Colorado Council of Governments and as Chairman of the Pitkin County Board of County Commissioners. The 6 counties and 25 towns which comprise the Northwest Colorado Council of Governments are involved in agriculture, primarily beef and lamb production, generate about 85% of Colorado's skier days and produce over half of Colorado's coal. I am going to limit my remarks to the issue of secondary highway funds in S. 841 and S. 1024. As far as rural roads are concerned, S. 841 is an unmitigated disaster and S. 1024 just a disaster.

Rural secondary roads are the nation's farm to market roads, and as such there must be a national interest in these highways. These roads must not be allowed to deteriorate to a condition where they will impede the production or delivery of food to our population. If that were to occur, it would be only a short time before this nation learned just how much it has a crucial interest in these roads.

No one can disagree with the need to control inflation in this country. Both organizations I am speaking for fully support an end to inflation. We want to insure that any program put into motion to control inflation will in fact control inflation. We do not think an end to or a curtailment of federal support for rural roads will meet this criteria.

If federal financing of the rural road system were to disappear and all financing of these roads were to revert to state and local governments, we know and fear that there would be a severe decline in the condition of rural roads. And it would not be the fault of the state or local governments. Many of these entities, including Pitkin County and the State of Colorado, are operating under stringent tax increase limitations, because the voters are trying to control taxes and inflation. Also, these same strangled governments are also attempting to fund other programs affected by other Federal cutbacks. No analysis to date has indicated that state or local governments have the financial ability to take over the rural road program if federal aid is withdrawn or severely curtailed. We feel that the two bills now under consideration will lead to the complete elimination of the rural road program as it is now constituted. A more rational approach to highway financing might be a Highway System Block Grant to states perhaps with a floor on interstate spending. I have confidence that state and local governments if they had the resources would spend the few-strings-attached money wisely, meaning where it is needed the most on the highway system as a whole. Support for rural roads would not be lost in Washington's estimates of Colorado's most important highway problems. The block grant approach would result in a return of revenue sources and power to state and local governments, an important goal of the present Congress and the present Administration.

Unfortunately, S. 841 and S. 1024 do not provide state and local governments with adequate flexibility and relief from narrow categorical restrictions The New Federalism, as it is called by the President and Congressional leaders, should become an important new component of new highway legislation.

World demand for food requires us to take a longer term look at the agricultural situation in this country. Such an extended view shows that the final road construction program needed in this country will be for medium standard rural roads. According to USDA's April 1981 publication, Agricultural-Food Policy Review, Perspectives for the 1980's, "most of the acreage that will be brought into cultivation [to supply national and world markets] will likely be in areas of the country currently underserved by transportation." A rural road program as envisaged in S. 841 or S. 1024 will not meet the need for transportation to feed the world's population.

Other potential problems loom if the Federal government abandons or lessens its support for the rural road system. If these roads roads revert to the dirt roads they once were, the dust created will cause excessive damage to crops and livestock. According to John Stencel, President of the Rocky Mountain Farmers Union, farmers and ranchers in the Rocky Mountain region already loose one to two billion dollars a year to dust damage. Road dust is especially hard on ranchers, where it causes pink eye, cancer eye and dust pneumonia in cattle. Increasing this loss would not only be criminal, it would increase food prices in an ever increacing inflationary spiral. It seems self defeating to cut budgets in an attempt to curb inflation -- and then have those budget cuts cause more inflation.

Linked to rural road preservation as a national interest, is the preservation of agricultural lands. Already agricultural lands are undergoing pressures from conversion to housing, shopping centers, industrial use, etc. As these lands are taken out of productive use in a region, the structures that support agriculture in that region face decline and extinction. As an example, where 10 years ago I had only to go 30 miles to get parts for my tractor, I now have to go over 120. A similar situation exists in local markets -- a four fold increase in required travel. It is bad enough now, but if the roads I have to travel the 100 miles on are more or less allowed to decay, I would have to reevaluate the worth of remaining in agriculture. If that were to come to pass, it would be as a direct result of poor rural roads. My ranch would become vacation condominiums and you would have a clear-cut case of declining rural roads leading to a conversion of agricultural land into non-food production uses.

While it is true in a few cases that improved rural roads can lead to increased pressure to convert farmland to residential uses, this is true only for areas adjoining metropolitan centers. This is a zoning problem, and a concern of strictly local interests. This phenomona is best addressed at the local level.

The transportation system in this country is an integrated system consisting of all modes of transportation. It is not realistic to pit highways against other forms of transportation -- we need them all. The local farmer or rancher satisfies the great majority of his transportation needs on the secondary or rural highway system. If this system is abandoned by the Federal government, then the rural community's tax dollars will be lost to them. The rural community will loose equity if some of those funds do not get returned to the rural roads. Elimination of Federal assistance for any single part of the entire transportation system is both inequitable and unrealistic.

We would hope that the committee, when it considers a full transportation bill, will also seriously look at rail transit in the rural sector. Many ranchers, myself included would prefer to ship our cattle on rails rather than on trucks. This is because, in our opinion, cattle are treated better on a railroad. The loading is less traumatic, the cars are made from wood, not steel, and they provide more room. The cattle are not subjected to nearly as much exhaust and other pollution on a train as they are on the highway, and they generally arrive at their destination in better condition.

In closing, I want to quote from the USDA's Agricultural-Food Policy review metioned previously:

> In the absence of effective planning for agriculture's transportation needs, rail lines have been abandoned and the road system has been allowed to deteriorate so that in many instances trucks are not a viable alternative to the loss of rail service. A public policy choice between continuing operation of the railroads through subsidization or funding improvements in the road system may be in the offing. An alternative may be a reorganized and more efficient core rail system supplemented by improved roads to permit trucking of grain and other commodities into large subterminal elevators. Research is needed to determine what kind of system will best serve rural shippers needs.

I hope that the this Committee will direct the Department of Transportation to undertake such a research study and report the fin back in a timely manner. I would urge that the DOT be admonished to always keep before it the fact, reported time and time again that the small farm or ranch is far and away the most efficient food production unit. To keep up this record, and to feed this world, the needs of the small farmer and rancher must be treated seriously and equitably.

Thank you for your kind attention. I will be happy to respond to any questions or comments you may have.

UNITED STATES SENATE
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
TRANSPORTATION SUBCOMMITTEE
TESTIMONY
ON
S. 841 AND S. 1024

BY
HERMAN EDEL
MAYOR OF ASPEN, COLORADO
AND
FOUNDING CHAIRMAN
COLORADO ASSOCIATION OF SKI TOWNS

Mr. Chairman, I come before you today both as the Mayor of Aspen, Colorado and as the founding Chairman of the Colorado Association of Ski Towns, or as we like to call ourselves, CAST. With me is Mayor Bernard McMenamy of Breckenridge and current President of CAST. Cast is made up of twelve towns in the Colorado Rockies; Aspen, Avon, Steamboat Springs, Crested Butte, Frisco, Breckenridge, Vail, Snowmass Village, Mt. Crested Butte, Winter Park, Telluride, and Silverthorne. All of these towns derive a major portion of their economic livelihood in the winter from skiing and other tourist oriented activities and increasingly as summer resorts.

HIGHWAY SYSTEM MUST BE BALANCED

Just as CAST representatives believe they must seek a balance in their communities between the tourist economy and other economic foundations to be truly healthy, they also believe the Federal-Aid highway program must seek a balance between the desirable goal of a completed interstate system and an adequate, safe, and convenient system of primary and secondary rural roads. It is these rural roads that our citizens use on a day to day basis, and that our guests use to arrive at our facilities.

I come to you today with a self-centered point of view. I am seeking safety and ease of transportation not for the long distance, cross-country traveler - though of course I do support that goal - but safety and ease for the year-round, local citizens of Aspen and all other ski towns represented by CAST.

With our local highways in their current condition, Mr. Chairman, there is fear in our communities; there is fear when our children are out to a basketball game, there is fear when they are out to play practice, there is fear when they are out to the Rodeo, there is fear when they are out to community activities; in short, there is fear any time our children are out on the highways - especially at night. I am here today to try and end that fear.

This fear exists because our rural roads are woefully inadequate. Most of them have not been improved in years. All of them have deteriorated over the years. They have the same design, the same number of lanes, the same dangerous curves they had long before the ski towns became ski towns. All of these roads are handling traffic far in excess of what they were designed or intended to handle.

RURAL ROADS ARE INADEQUATE BECAUSE OF UNBALANCED FUNDING

When we ask our state highway department, year after year, for some improvement to these roads, we are told there is no money available for construction, and we will just have to make do. But when we look at the overall state-wide highway construction budget (which amounts to about $180 million in Colorado) we find that between 60% and 70% of all that money is going to some segment of the interstate program. We don't think this is a proper balance.

We have nothing against the completion of the interstate system. In fact we support it. But we do not support it to the extent of being willing to expose ourselves day after day, year after year, to hazardous, local rural roads.

NEITHER BILL WILL PROVIDE THE NEEDED TRANSPORTATION BALANCE

We feel that neither bill before us today is going to give us any relief from our hazardous local road situation. In fact, these bills will exacerbate the situation. The tiny increases in primary system funding in both bills will rapidly be eaten by inflation. Secondary system funding, made into rural block grants, decreases over the years in the Committee's bill, and disappears entirely in the Administration's bill. A similar fate awaits the very important safety improvement programs.

These cuts alone would be bad enough if they were applied evenly across all categories of highway funding. But they are not. We utterly despair when we see 70% of the total authorization in both bills going into interstate completion or interstate "4R" programs.

We do not dispute the need for a "4R" program to maintain and repair the existing interstate system. We fear though that this program will become little more than another source of interstate construction funds. The "4R" program will be forced to pick up much of the previously eligible work eliminated by the redefinition of interstate completion contained in both bills. We support the redefinition of interstate completion as a means to limit interstate costs, but it becomes a false limit if we pick up the eliminated items with a new program. Maintenance and repair we support - continuing interstate construction PRIOR TO REVITALIZATION of existing local roads we do not.

Another thing concerns us about the unbalanced emphasis on interstate completion. Both long term energy questions and short term political uncertainties in the Middle East indicate that completing the interstate system may not be as useful to the nation as was once thought. Certainly the defense rationale for completing the interstates has disappeared. Sixty-two years ago it may have taken General Pershing's lieutenant (a man named Eisenhower) 62 days to move a convoy of 80 military vehicles across the country - a major impetus for building the interstates. But today, on the already completed interstate, such a feat could be accomplished in 6.2 days. In fact, today a handful of C5As could move the same amount of material across the country in about 6.2 hours! What about the other projected demands for the interstate - will they ever materialize?

MORE EMPHASIS MUST BE PLACED ON EXISTING ROADS

We feel, in view of the current highway conditions in both our local area and across the nation as a whole, that we need to place more emphasis on bringing our existing roads up to minimum current standards as regards both safety and convenience. After these roads are in tip-top shape, then we can look to the future and toward completing the interstate system. As a means to accomplish this, we feel the Committee's bill, which cuts funding for rural roads, is misguided, and the Administration's bill, which eliminates this funding altogether after 1983, is a grevious error.

We did not come before this committee to point a finger at anyone for the poor condition of our roads. We know that we, too, must share the blame. We come before this committee to seek answers to the question of where do we go from here. How do we fix our roads and maintain an adequate total transportation system?

DE-EMPHASIZE INTERSTATE FUNDING

We believe part of the answer to that question lies in some changes in priorities in the funding categories in the highway finance bills. We hope this committee will seriously consider some de-emphasis on the interstate completion and interstate "4R" categories. To have the Federal Government place 70% of its yearly Federal-Aid grants in these categories saps us at the local level of both the money and energy to fix our local roads. Such undue emphasis is leading into a situation akin to spending billions to enable a Concorde to land in Hakensack, New Jersey. Once it gets there, where do the people go? Right now we have the world's most sophisticated system of super highways leading onto a decrepit secondary road system. This is not the balanced highway system we need.

To close I would like to reiterate that we understand and support the need for the interstate system. But we believe there is currently an over-emphasis on completing this system. It just can't be worth the $54 billion the General Accounting Office says it will cost to finish the 1500 miles that is missing out of the 42,500 miles interstate system! Both CAST and the City of Aspen are absolutely sure that we would better spend that money bringing our substandard network of other roads up to par. Once that is done, then and only then, can we look back to the job of completing the interstate system.

Thank you for the opportunity to present these views.

JOEL M. HEFLEY
Assistant Majority Leader
Colorado State Senate

Senate Chamber
State of Colorado
Denver

TESTIMONY

OF

JOEL M. HEFLEY

ASSISTANT MAJORITY LEADER

COLORADO STATE SENATE

TO THE

TRANSPORTATION SUBCOMMITTEE

OF THE

U.S. SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

DENVER COLORADO

AUGUST 14, 1981

SYNOPSIS

As part of the worthy effort to halt inflation by curbing federal spending, the highway construction budget is being cut back. This is forcing state highway officials to choose between maintaining our present highways (already paid for by the Federal Government) or finishing the interstate system in their states.

Since there is a 90% Federal matching grant to the states for interstate completion, the states are quite naturally drawn to do all they can to obtain these generous grants. All too often they defer maintenance on the existing system to free up funds to match the interstate grants. If this practice continues, by 1985 we will be forced to spend $120 billion to refurbish the existing highway system.

The recommendation is to end the interstate completion funding category by having Congress declare the interstate system completed. The funds allocated to interstate completion in S. 841 and S. 1024 should be reallocated to other federal-aid highway programs, or be distributed to the states as transportation block grants.

JOEL M. HEFLEY
Assistant Majority Leader
Colorado State Senate

Senate Chamber
State of Colorado
Denver

TESTIMONY

OF

JOEL M. HEFLEY

ASSISTANT MAJORITY LEADER

COLORADO STATE SENATE

TO THE

TRANSPORTATION SUBCOMMITTEE

OF THE

U.S. SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

DENVER, COLORADO

AUGUST 14, 1981

Mr. Chairman, I want to thank you sincerely for holding these hearings on the important topic of highway financing here in Denver. I know the testimony you will receive here will aid you in giving Americans the best highway legislation possible. The opportunity to give testimony to Congress is greatly appreciated by all of us here today.

At the onset, I want you to know that I and all Coloradoans strongly support the Congress and the President in their efforts to cut the burgeoning U.S. budget and to bring our devastating inflation under control. We know this is going to require us all to tighten up our belts for a while, but we all feel this is a small sacrifice to make for a strong and healthy future economy.

THE INTERSTATE COMPLETION QUESTION -- TO BE OR NOT TO BE

Today is the sixth convening of the transportation subcommittee for the purpose of discussing S. 841 and S. 1024. Most witnesses speaking so far have also strongly supported the joint Congressional/Administration budget cutting endeavors. To carry.out this worthy objective in regard to the bills before this committee, highway industry witnesses have supported the redefinition of Interstate Completion that downscopes the interstate program contained in the two bills. They have also historically supported an expedited completion of the interstate system.

I have no doubt these witnesses are sincere in their support for both the budget reforms and the Federal Aid Highway Program. I am sure the Administration's and this Committee's effort to redefine interstate completion is a step in the right direction vis a vis budget cutting. But it is my opinion that reducing the magnitude of the interstate completion program, or expediting its conclusion, are efforts that are too little -- too late. In my opinion, and in the opinion of an increasing number of citizens and officials, the interstate completion program cannot just be cut back or speeded up; it must be terminated if we are to get a handle on balancing the federal budget and curbing inflation.

The highway industry decries the existance of "essential gaps" in the interstate system and implores that these gaps be closed. They claim that only the completed system has full utility. These gaps cripple the entire program, they say, since the interstate system is not a totally interconnected network without these 1500 miles.

This is a compelling argument, until you realize that these "gaps" represent only 3.5% of the interstate system, and are the dogs and the dregs of that system. There are reasons these gaps remain unbuilt after 25 years of interstate construction: They would cause undue social or environmental disruption, or are unbearably expensive, or both. In all cases they are non-cost effective and unnecessary.

But even if the "interstate gap" argument was true, there is another gap in the highway program that has far greater importance to the American taxpayer. This gap is the very real, and very dangerous, gap between the required and actual maintenance and repair expenditures for our existing highway sytem. Failure to close this gap will prove to be disastrous in the very near future.

MAINTENANCE AND REPAIR OF THE EXISTING HIGHWAY SYSTEM

Maintenance and repair expenditures are those expenditures that are required to preserve the existing pavement and safety conditions on our roadway network. Data show that our 1980 expenditure of $7.1 billion for this vital maintenance was barely one-half of that required. By 1985, at current rates of maintenance and repair spending, we will only meet 30% of the requirements to preserve our highways.

The cumulative result of this gap, according to the General Motors Research Laboratories, is that by 1985 it is going to cost nearly $120 billion to restore our great Federal highway system to its 1975 condition. It is in view of this staggering figure that I call, in the name of Americans everywhere, for the end -- the cancellation -- of the interstate completion program. The funds earmarked for interstate completion -- $28.55 billion in S. 841 and $27.85 billion in S. 1024 -- need to be placed immediately into categories that will insure our present highway system does not crumble into a patchwork of potholes and dirt roads.

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Mr. Chairman, I submit to you that it is this 30% to 50% gap in maintenance and repair funding, and not the 3.5% gap in the interstate system, that is of vital interest to the American people and to this Committee.

I want the highway industry to note well that they have nothing to fear from this call for the cancellation of the interstate completion program. The plan I am proposing does not call for the elimination of interstate dollars from the highway program -- it simply calls for a transfer of those funds from interstate completion to general highway maintenance and repair.

Highway promoters are in the habit of saying that Congress made a commitment to finish the interstate system, and Congress is therefore duty bound to provide funds toward that end. Such a commitment may have been appropriate in 1956 when we had a vigorously expanding economy and tremendous growth in highway transportation. But continuation of such a commitment, and such rhetoric, is not appropriate today. Everyone agrees that Federal spending must be cut to renew our economic viability. Therefore we must choose between maintaining our already existing highways or building 1500 miles of new highways to finish the interstate system. It is a question of fixing our leaky roof or adding a new room. Clearly preservation of our highway system must be today's commitment.

REASONS TO TERMINATE THE INTERSTATE COMPLETION PROGRAM

Let me get back to the interstate completion program and the reasons I think it must be ended. There are two major faults in the interstate completion program:

1. It causes states to propose gold plated highway projects that are not cost effective, and
2. It distorts state highway budget priorities

1. The implied guarantee by Congress to provide funds to finish the interstate system encourages states to propose grandiose, expensive, magnificent -- in short, gold plated -- projects that appear to be monuments to the highway engineers. In fact they are money machines. The states propose these projects because the more expensive they make their projects the bigger slice they will get out of the ever inflating

interstate completion pie. In fact, it is in the states' own interest to make their interstate projects so grandiose, and so expensive, that the federal pie will get bigger and bigger. The best thing a state can do for itself is to never finish its interstates, a fact too late discovered by 10 states. Alaska, Arkansas, Delaware, Idaho, Maine, Nebraska, New Hampshire, North and South Dakota, and Vermont, have for all intents and purposes finished their interstate system. They no longer qualify for interstate completion funds even though their residents continue to pay highway taxes to complete the interstate system in other states. To ease the pain, Congress has directed that each of these 10 states receive one half of one percent of the interstate pie. This is neither equitable nor does it speed completion of the system as a whole in the other states.

2. The second major problem with the interstate completion program is that it entices a state away from placing its own funds into maintenance and repair programs. Even though these programs are crucial to preserve the federally paid for highway system already in place, the states are lured into matching -- to the maximum extent possible -- those irresistible 90% interstate completion funds.

For example in Colorado, where 40% of our primary and secondary highways are in unsatisfactory or critical condition, crying out for capital improvement funds that could be provided from the Federal-Aid construction budget, the highway commission has chosen to spend 58% of Colorado's own state generated construction funds on matching interstate construction, interstate 3R, and interstate transfer monies. Even though only 24% of Colorado's vehicle miles are driven on the interstate system, that system will get 70% of all the federal and state construction money for the next five years. I am sure similar situations can be found in other states.

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We must sheathe this double edged sword of interstate completion. We must end its waste of billions of dollars pursuing the unattainable dream of simultaneously completing 100% of the interstate system. We must halt the program that causes the decay and disintegration of our existing highway system.

It is clear that the total interstate system cannot be finished. Every professional study and every governmental report for the past 3 years concludes this same thing. A March 1981 GAO report on the Federal Highway Program showed that the 1978 estimate to complete the interstate system was $42.4 billion. By 1980 the estimate to complete the interstate system swelled to $53.8 billion, EVEN THOUGH NEARLY $8 BILLION HAD BEEN SPENT ON INTERSTATE COMPLETION IN THE INTERVENING TWO YEARS!

To complete the interstate system by 1990, according to the GAO report, the federal government would have to spend $6.3 billion per year at a 5% inflation rate and $11.6 billion per year at a 20% inflation rate. The bills being discussed today provide at best half of this funding requirement. The facts are obvious -- the interstate completion program will be stopped sometime in the future. I say, why wait for the future, why not now?

FEDERAL TRANSPORTATION BLOCK GRANTS

I urge Congress to declare, as soon as possible, that as of a certain date, the interstate program is complete. I would suggest that Congress delete the category "interstate completion" from the bills before us today and in all future highway bills. The sums now provided for the interstate completion categories could be placed either in other highway program categories or be placed in a block grant program for the states to use as they see fit for their own transportation programs. These block grants could be used for highway construction, repair and maintenance, safety improvement, transportation management systems (TSM), other transportation modes, or whatever. In fact, if the individual states wanted to use their block grant to finish their segments of the interstate, that would be fine.

These block grants would have to be apportioned to the individual states in some equitable manner, probably depending upon population, vehicle miles traveled per year, miles of existing transportation routes, etc. I am sure you will agree that states endowed with a transportation block grant will insure that it is expended in a cost beneficial manner. This is a lump sum of money, it is not some federal largesse that will expand to unbounded limits in the quest of some unattainable dream.

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In closing I want you to know that I am aware that it is impossible to eliminate any portion of America's transportation system from the network. They work together as a whole. But it is also true that it is impossible to fund any one portion of that network for 25 years to the extent that we have funded the interstate system and not have the other segments of our transportation network seriously decay. The other portions of that network -- and even the older portions of the interstate system itself -- have decayed to an alarming degree. The interstate system has gotten enough funding, it has gotten far more that its fair share. It is now time to declare the interstate system finished. It is time to turn our attention to the other portions of the transportation network.

Thank you for the opportunity to make this presentation. I would be happy to answer any questions you may have.

TESTIMONY OF
PAUL SCHAUER
VICE-CHAIRMAN
COLORADO HIGHWAY USERS CONFERENCE
BEFORE THE
TRANSPORTATION SUBCOMMITTEE
OF THE
U. S. SENATE ENVIRONMENT & PUBLIC WORKS COMMITTEE
CONCERNING
FEDERAL-AID HIGHWAY LEGISLATION
DENVER, COLORADO
AUGUST 14, 1981

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, I AM PAUL SCHAUER, PUBLIC AFFAIRS SPECIALIST FOR THE GATES RUBBER COMPANY AND A COLORADO STATE REPRESENTATIVE. TODAY, I AM HERE AS VICE-CHAIRMAN OF THE COLORADO HIGHWAY USERS CONFRENCE, A PRIVATE SECTOR ORGANIZATION WHOSE MEMBERSHIP IS MADE UP OF BUSINESSES, INDUSTRIES, AGRICULTURAL AND TRADE ASSOCIATIONS, CIVIC GROUPS, AND INDIVIDUALS WHO RECOGNIZE THE NEED FOR A SAFE AND EFFICIENT HIGHWAY SYSTEM IN OUR STATE.

THE CONFERENCE IS AFFILIATED WITH THE HIGHWAY USERS FEDERATION FOR SAFETY & MOBILITY, HEADQUARTERED IN WASHINGTON, D. C. WE SUPPORT THE BASIC CONCEPTS AND OBJECTIVES PROPOSED BY THE HIGHWAY USERS FEDERATION FOR A CONTINUING AND IMPROVED HIGHWAY TRANSPORTATION SYSTEM. A COPY OF THOSE OBJECTIVES IS ATTACHED TO THIS TESTIMONY.

TODAY, WE WOULD LIKE TO DIRECT OUR COMMENTS BRIEFLY TO FIVE AREAS OF MAJOR CONCERN WITH THE FEDERAL GOVERNMENT'S ROLE IN HIGHWAYS.

1. COMPLETION OF THE INTERSTATE HIGHWAY SYSTEM.

2. CONTINUATION OF THE 3-R INTERSTATE PROGRAM EXPANDED TO 4-RS; RESURFACING, RESTORATION, REHABILITATION AND RECONSTRUCTION.

3. Acceleration of the Transfer Fund program to provide early completion of essential and approved projects under this program vital to overall highway safety and efficiency.

4. Acceleration of the Bridge Reconstruction and Rehabilitation program.

5. An indefinite extension of the Highway Trust Fund dedicated to highway construction and repair.

The importance of each of these items is apparent when reviewing the growth patterns in population and traffic and development of industry, particularly the energy industry, in the state of Colorado, as well as other energy resource rich western states.

(You can refer to the large wall map at this point if you wish)

To enlarge somewhat on these factors; in the past twenty years, Colorado has experienced a 58% growth in population, 135% growth in vehicle-miles-traveled, and more than a 200% increase in truck traffic. Projections indicate a continuation of these growth patterns over the next twenty years.

Population growth along Colorado's Front Range alone (Ft. Collins to Pueblo) is projected to be 1.5 million. A conservative estimate of something in excess of another million people is projected for the state's western slope. With this growth comes all of the related increases in demand for transportation and other public facilities. Not all of this growth will be due to energy development but it is, at this point, probably the most significant reason.

The necessity for completion of Colorado's Interstate segments comes into sharper focus when one analyzes the national demand for Colorado's energy resources, the location of those resources, and the need to efficiently connect and service our burgeoning population centers.

✓ I-70 traverses the major east-west corridor in and through Colorado and connects directly to the energy resource areas. Key segments on I-70 remaining to be completed are Glenwood Canyon and DeBeque Canyon to Rifle. Both projects have been subjected to long and costly delays brought about by excessive environmental and regulatory technicalities, delays which have added several

MILLIONS OF DOLLARS IN COSTS TO THE HIGHWAY USER TAX-PAYER.

ADDITIONALLY, MUCH OF COLORADO'S ALREADY COMPLETED INTERSTATE AS WELL AS PRIMARY AND SECONDARY HIGHWAYS AND BRIDGES HAVE SUFFERED SERIOUS, IF NOT EXCESSIVE, DETERIORATION DUE TO LACK OF FUNDS FOR MAINTENANCE AND UTILIZATION BEYOND DESIGN CAPABILITIES ALONG WITH COLORADO'S UNIQUE TOPOGRAPHICAL AND WEATHER CONDITIONS.

THE ENERGY INDUSTRY OPERATING IN THE OIL SHALE REGION OF COLORADO REQUIRES AN ADEQUATE HIGHWAY SYSTEM TO CARRY CONSTRUCTION MATERIALS INTO THE PICEANCE CREEK BASIN AND OTHER ENERGY AREAS AND TO TRANSPORT PRODUCTS AND BY-PRODUCTS OUT OF THE AREAS WHEN IN OPERATION.

A RECENT STUDY COMPLETED BY COLORADO WEST AREA COUNCIL OF GOVERNMENTS WHICH FOCUSED ON THE TRANSPORTATION NEEDS OF THE OIL SHALE REGION OF COLORADO FOUND THE ROADWAY NETWORK --- THAT IS, THE CONNECTING LINKS BETWEEN THE ACTIVITY AREAS AND POPULATION CENTERS --- TO BE ADEQUATE, BUT THAT THE ROADWAY STRUCTURES WOULD NOT BE ABLE TO WITHSTAND THE HEAVY TRUCK TRAFFIC GENERATED IN THE AREA. THE STUDY IDENTIFIED THE NEED FOR EXTENSIVE WIDENING, CLIMBING LANES, STRENGTHENING, AND SAFETY IMPROVEMENTS ON THE EXISTING SYSTEM. THE STUDY IDENTIFIED THE NEED FOR EXPENDITURES OF APPROXIMATELY 75 MILLION DOLLARS (1979 DOLLARS) BETWEEN 1980 AND 1985 TO MEET THE NEEDS OF MODERATE ENERGY DEVELOPMENT IN THE AREA, WITH ONLY 20 MILLION DOLLARS EXPECTED IN HIGHWAY IMPROVEMENT REVENUES.

THE STUDY CLEARLY POINTS OUT THAT THE REVENUES AVAILABLE FOR HIGHWAY IMPROVEMENTS AND CONSTRUCTION ARE WHOLLY INADEQUATE TO MEET THE NEEDS OF THE AREA. WITHOUT CONTINUED AND INCREASED FEDERAL SUPPORT FOR HIGHWAY PROJECTS, THE HIGHWAY SYSTEM IN THE OIL SHALE REGION WILL DETERIORATE TO A DANGEROUS STATE. ULTIMATELY, THE FEDERAL ENERGY GOALS OF LESSENING THE NATION'S DEPENDENCE ON FOREIGN ENERGY SOURCES WILL NOT BE MET IN A TIMELY FASHION BECAUSE CONSTRUCTION OF THE ENERGY PROJECTS IN THE PICEANCE CREEK BASIN WILL BE HINDERED. THIS APPLIES TO OTHER ENERGY RESOURCE AREAS AS WELL.

RECOGNIZING THE STATE'S HIGHWAY NEEDS AND PROBLEMS, THE COLORADO GENERAL

ASSEMBLY AGGRESSIVELY PURSUED ITS RESPONSIBILITIES IN FINANCING HIGHWAY NEEDS OF THE STATE. THE STEPS TAKEN INCLUDED A SPECIAL APPROPRIATION FROM THE GENERAL FUND TO HIGHWAYS, INCREASING THE GASOLINE TAX BY 2¢ PER GALLON, AND BY PASSAGE OF A BILL IN 1979 TRANSFERRING MOTOR VEHICLE GENERATED SALES AND USE TAXES TO THE STATE HIGHWAY FUND. THIS BILL WAS EXTENDED FOR FIVE MORE YEARS IN THIS LAST SESSION OF THE LEGISLATURE. WHILE THIS EFFORT BY THE GENERAL ASSEMBLY DID NOT MEET ALL OF THE FUNDING NEEDS, IT WAS A STEP IN THE RIGHT DIRECTION AND HIGHWAY USERS HOPE THAT ACTION IN FUTURE SESSIONS OF THE LEGISLATURE WILL PROVIDE THE ADDITIONAL FUNDS NEEDED FOR THE HIGHWAY PROGRAM AT THE STATE LEVEL.

IN ORDER TO PROTECT THE STATE AND FEDERAL INVESTMENT IN THE HIGHWAY SYSTEM, A CONTINUING AND EXPANDED FEDERAL PROGRAM OF RESURFACING, RESTORATION, REHABILITATION AND RECONSTRUCTION IS VITAL. WE ENDORSE THE PROVISION OF HR 3210 THAT INTERSTATE 4-R WORK BE FUNDED AT A 90/10 MATCH RATIO. WE URGE, HOWEVER, THAT DISTRIBUTION OF THE 4-R FUNDS BE BASED ON A COMBINATION OF TRAFFIC DENSITY AND LANE-MILES OF HIGHWAY BECAUSE COLORADO AND MOST WESTERN STATES HAVE SPARSE POPULATIONS BUT MANY LANE-MILES OF HIGHWAYS. IN ADDITION, OUR TRAFFIC FLOW OR DENSITY IS SEASONAL, GEARED TO TOURIST TRAFFIC AND WEATHER CONDITIONS.

IN COLORADO, WE ARE CONCERNED THAT THERE WILL BE ADEQUATE FUNDING FOR HIGHWAY RELATED INTERSTATE TRANSFER PROJECTS AND IN SUFFICIENT AMOUNTS TO FACILITATE EARLY COMPLETION OF SUCH PROJECTS. ONE IMPORTANT PROJECT UNDER THIS CATAGORY IS C - 470 (FORMERLY I - 470) CONNECTING I - 25 AND I - 70 AS A CIRCUMFERENTIAL ROUTE AROUND SOUTHWESTERN METRO-DENVER. THIS PROJECT IS VITAL FOR RELIEF OF OVERBURDENED ARTERIALS IN THAT SOUTHWEST QUADRANT. CONTINUED DELAY IN FUNDING ONLY CONTRIBUTES TO INCREASED COSTS FOR THE PROJECT OF WHICH RIGHT-OF-WAY COSTS ALONE CURRENTLY ARE INCREASING BY SOME $600,000 A MONTH.

ON THE STATE HIGHWAY SYSTEM ALONE, COLORADO HAS 190 DEFICIENT BRIDGES, ACCORDING TO THE NATIONAL BRIDGE INVENTORY, AND ANOTHER 281 WHICH WILL BECOME DEFICIENT DURING THE NEXT TEN YEARS. NOT ONLY DO THESE BRIDGES REPRESENT A SERIOUS PROBLEM FROM THE STANDPOINT OF MAINTAINING AN EFFICIENT HIGHWAY SYSTEM, ABLE TO MEET THE DEMANDS FOR THE MOVEMENT OF GOODS, BUT THEY REPRESENT A serious safety factor, threatening the lives of all who must use them. We support and urge the continuation of the Federal Bridge Rehabilitation and Reconstruction program, and that the federal funding be increased in order to accelerate the rate at which deficient and functionally obsolete bridges can be corrected throughout the highway network. The Colfax-Larimer Viaduct in Denver is a case-in-point of a bridge that has reached a point of critical deterioration and urgently needs the benefit of the funds that the federal bridge program provides. It is a vital link in traffic movement into and out of the Denver downtown core-city to the western half of the metro area. I am sure the Colorado Department of Highways will provide more details in its testimony here today.

Up to this point in time, the Federal-aid Highway program through the Highway Users Trust Fund has proven to be the most successful federal program ever. It has provided one of the world's finest and most efficient highway systems anywhere. Probably the most significant factor in this program is that it has been accomplished on pay-as-you-go basis through the fairest form of taxation --- that of a "users tax."

We strongly support and urge the indefinite extension of the Highway Trust Fund as a means of collecting and distributing funds for the Federal share of the Federal-aid Highway Program. However, we just as strongly support and urge the continued dedication of the Trust Fund to highway construction and repair and the elemination of diversion of any of these funds to non-highway purposes.

For the sake of our economy, our national defense (something a lot of people tend to overlook in these times) and the continuation of one of our greatest freedoms as Americans --- the freedom of mobility --- we need to get on with the completion of the rest of the Interstate System, we need to catch up on the revitalization of the older segments of the Interstate, and we need desperately to begin rebuilding the rest of our overall highway system. The extension of the Highway Trust Fund is a must if this effort is to be accomplished.

To help insure that our highways provide the level of service needed in the years ahead and to speed up the program that will accomplish that level of service, we urge that the excessive balance currently in the Highway Trust Fund be brought down to a fiscally sound level and that the funds be put to the use for which they were intended. We need to get on with the rebuilding and improving our highway system now.

One final point --- We would like to stress the importance and need for Congress to act this year to pass a Highway Bill so that there will not be furthur delays and disruptions in rebuilding our highways.

Mr. Chairman, I have only touched briefly on some of the highlights of the reasons, the needs, and the importance of our highways and the federal role in bringing those highways up to the standards of service needed over the next twenty years.

In closing, may I sum up by expressing a personal thought --- Mobility and economic free choice and our standard of living are inter-related to the extent that if we decrease the freedom of mobility, we decrease the personal freedom of the citizen. I believe that our standard of living and maintenance of our economy is directly related to our transportation system, and that highways are basic for an effective transportation system. Highways are complementary to all other forms or modes of transportation for the movement of goods and services within and between our communities. Roads and highways must be efficient in order to keep costs down and help abate transportation cost inflation. This is particularly true in Colorado and the western states where highways are our principal transportation system.

That concludes my remarks and on behalf of the Colorado Highway Users Conference, I would like to express our appreciation for this opportunity to present our views.

Thank you.

# # # #

- Continue basic highway construction programs (Interstate, primary, secondary, urban, bridges and a safety category);
- Complete the Interstate System by 1990 without sacrificing design standards;
- Restore the Interstate System to as good, or better condition, as when it was first built. Add "reconstruction" to the present rehabilitation, resurfacing and restoration program;
- Reverse the deterioration of Federal-aid primary highways and provide for modest improvement;
- By 1990, reconstruct or rehabilitate all bridges that need repair on Federal-aid highway systems;
- Draw down the balance in the Highway Trust Fund to a realistic cash flow level of two to three billion dollars while accomplishing the above goals;
- Extend the life of the Trust Fund to at least the year 2000;
- Eliminate diversion of Federal-aid highway funds to non-highway purposes; and
- Phase in increased user charges to reverse the trend of highway deterioration.

Table 1
PROPOSED AUTHORIZATIONS

Program	Fiscal Year 1982	1983	1984 (Billion $)	1985	1986
Interstate Completion	3.1	4.5	4.8	5.0	5.3
Interstate Rehabilitation	0.8	2.0	2.5	3.0	3.5
Primary System	1.6	2.3	2.5	2.8	3.1
Secondary System	0.4	0.4	0.4	0.5	0.5
Urban System	0.8	0.4	0.4	0.5	0.5
Bridge Rehabilitation	1.0	2.3	2.4	2.6	2.7
Safety Construction	0.4	0.3	0.3	0.3	0.4
Other Highway & Safety	0.4	0.4	0.4	0.4	0.4
	8.5	12.6	13.7	15.1	16.4

Table 2
HIGHWAY TRUST FUND CASH FLOW

	Fiscal Year 1982	1983	1984 (Billion $)	1985	1986
Balance - Start	10.4	10.7	9.4	9.4	6.4
Current User Charges	6.9	7.0	6.9	6.9	6.9
New User Charges	-	-	2.0	2.0	4.0
Interest	0.9	0.9	0.8	0.8	0.5
Outlays	(7.5)	(9.2)	(9.7)	(12.7)	(13.8)
Balance - End	10.7	9.4	9.4	6.4	4.0

A Western Colorado Association of Communities and Industries . . .

August 7, 1981

Senator Steven D. Symms
Chairman
Senate Environment and Public Works Committee
125 Russell Building
Washington, D.C. 20510

Dear Senator Symms:

In our position as a 25-year leader in the development of an adequate system of Interstate, U.S., and state highways in Colorado West, the Club 20 Board of Directors and Transportation Committee wish to reaffirm our need and steadfast support of the speedy completion of Interstate construction on the remaining gaps in the I-70 system, including the Glenwood Canyon and DeBeque Canyon segments of Colorado.

The President's affirmation of federal support and subsidy of the gigantic oil-shale synfuels program puts us at the threshhold of extreme need to complete this strategic route without further blockages and delays. The total environmental concerns have been long ago addressed, by competent individuals and study groups. Any further attempts by so-called environmental groups to block said projects should be considered as mere obstructionism.

Please exert every effort to see that the I-70 corridor is scheduled for timely construction and completion as are the major secondary highways and roads serving energy producing states such as Colorado.

Very sincerely,

Roger M. Blouch

Roger M. Blouch
Vice President

ta
Enclosures: Resolution: I-70
Resolution: Colorado's Highway System
cc: S. Dodson, Club 20 Transportation Chairman
H. Faussone, Club 20

Post Office Box 550 • 845 Grand • Grand Junction, Colorado 81502 • 303/242-3264

A Western Colorado Association of Communities and Industries . . .

RESOLUTION: GRAND JUNCTION

BE IT KNOWN BY THESE PRESENTS THAT:

WHEREAS, the safety, convenience and comfort of the traveling public and adequate movement of commerce dictates completion of a four-lane Interstate 70 route through Colorado, and

WHEREAS, the Western Slope of Colorado vitally needs a four-lane east/west highway corridor connecting it with Denver, and

WHEREAS, extensive and exhaustive studies have been made by qualified, private and public groups pointing to the need for a special canyon route that has come to be accepted by all but a few, and

WHEREAS, the nation is counting on Western Colorado for the production of critically needed energy resources which will severely impact the existing highway system, now

THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CLUB 20, a Western Colorado Association of communities and industries, THAT the Colorado Department of Highways, Colorado Highway Commission, Colorado General Assembly and Colorado Governor Richard Lamm, the Colorado Congressional Delegation, U.S. Transportation Secretary Andrew Lewis, and President Ronald Reagan be, and are, hereby urged to do all within their power to accelerate the funding, construction and completion of a four-lane Interstate 70 route through Glenwood Canyon.

THIS RESOLUTION, after discussion, was adopted unanimously by the twenty-county Club 20 Board of Directors at their meeting held at the Holiday Inn in Grand Junction, Colorado on February 15, 1981.

Roger M. Blouch

Club 20 Chairman of the Board

February 15, 1981

Date

John D. Vanderhoof

Club 20 President - Exec. Director

Post Office Box 550 • 845 Grand • Grand Junction, Colorado 81502 • 303/242-3264

A Western Colorado Association of Communities and Industries . . .

CLUB 20

RESOLUTION: GRAND JUNCTION

BE IT KNOWN BY THESE PRESENTS THAT:

WHEREAS, the State of Colorado is predominantly dependent on its highway system for the movement of food, fiber and people, and

WHEREAS, the existing highway system has been deteriorating more rapidly than maintenance programs can correct, and

WHEREAS, desperately needed new highway portions are not being constructed as needed, and

WHEREAS, the vital segments of Colorado's growing economy: tourism, agriculture, manufacturing and energy development, are hamstrung by a highway system unable to meet the increasing demand placed upon it, and

WHEREAS, the rate of inflation on highway maintenance and construction costs across the past several years has vastly outstripped any revenue increases to the Highway Users Trust Fund, and

WHEREAS, a substantial and long term revenue transfusion is needed in the interests of the commerce and safety of the people of the State of Colorado, now

THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CLUB 20, an association of communities and industries from the 20 Western Colorado counties, THAT the Colorado General Assembly be, and is hereby, urged to investigate all methods of increased highway funding and to adopt one or a combination of methods deemed advisable by the legislature in order to provide an adequate and long term funding program to meet the state's highway needs.

THIS RESOLUTION, after discussion, was adopted unanimously by the twenty-county Club 20 Board of Directors at their meeting held at the Holiday Inn in Grand Junction, Colorado on February 15, 1981.

Roger M. Beach
Club 20 Chairman of the Board

John Vanderhoof
Club 20 President - Exec. Director

February 15, 1981
Date

Post Office Box 550 • 845 Grand • Grand Junction, Colorado 81502 • 303/242-3264

TESTIMONY OF

WILLIAM LUCAS

CHAIRMAN

WYOMING HIGHWAY USERS FEDERATION

BEFORE THE

TRANSPORTATION SUBCOMMITTEE

OF THE

U.S. SENATE ENVIRONMENT & PUBLIC WORKS

COMMITTEE

DENVER, COLORADO

AUGUST 14, 1981

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, MY NAME IS WILLIAM LUCAS, PRESIDENT OF ROCKY MOUNTAIN FEDERAL SAVINGS AND LOAN ASSOCIATION, FORMERLY SUPERINTENDENT AND CHIEF ENGINEER OF THE WYOMING HIGHWAY DEPARTMENT, AND APPEARING TODAY AS CHAIRMAN OF THE WYOMING HIGHWAY USERS FEDERATION.

THANK YOU FOR THE OPPORTUNITY TO PRESENT TESTIMONY FOR YOUR CONSIDERATION WHILE DELIBERATING ON SUCH A VITAL ISSUE AS FEDERAL HIGHWAY LEGISLATION.

I WILL REFRAIN FROM ITERATION OF FACTS, FIGURES, AND DATA THAT ARE READILY AVAILABLE FROM SUCH SOURCES AS THE CENSUS BUREAU AND THE FEDERAL HIGHWAY ADMINISTRATION.

EACH AND EVERY DAY HIGHWAYS AND STREETS WITHIN THE STATE OF WYOMING ARE ASSUMING AN INCREASING ROLE IN THE LIFE OF EVERY CITIZEN IN WYOMING. DEREGULATION OF AIRLINES HAS BROUGHT ABOUT A DECLINE IN AIR SERVICE. RAILROADS SERVE WELL BUT ONLY ALONG THEIR TRUNK LINES, AND THERE ARE MANY COMMUNITIES NOT CONNECTED BY RAIL. THIS LEAVES ONLY HIGHWAYS AS THE ONE COMMON DENOMINATOR THAT SERVES ALL POINTS WITHIN THE STATE .

WE ARE PROUD TO BE A SOURCE OF MANY DIFFERENT FORMS OF ENERGY HOWEVER, THE IMPACT OF THIS DEVELOPMENT IS MORE FAR REACHING AND INTENSE THAN CAN READILY BE EXPLAINED OR IMAGINED. OUR STATE IS GROWING IN POPULATION AT NEVER BEFORE IMAGINED RATES. THIS IS CAUSING VERY REAL AND OBVIOUS PROBLEMS FOR THE ADMINISTRATION OF STREETS AND HIGHWAYS. MORE NEW HIGHWAYS ARE NEEDED AND MOST IMPORTANTLY EXISTING SYSTEMS NEED UPGRADING AND RESTORATION.

MANY FACTORS CONTRIBUTE TO THE PROBLEM OF MAINTAINING A LEVEL OF SERVICE ON OUR SYSTEM THAT WILL CONTINUE TO INSURE THE SAFETY AND MOBILITY OF OUR STREET AND HIGHWAY USERS. A SUCCESSFUL HIGHWAY SYSTEM DEMANDS THAT THE MANAGEMENT OF THE SAME HAVE THE ABILITY TO PLAN AND CONTROL AS WELL AS AN ADEQUATE LEVEL OF FINANCING. FOR THESE REASONS I URGE YOU TO PROVIDE FOR THE CONTINUATION OF THE TRUST FUND CONCEPT PREFERABLY TO THE YEAR 2000. I FURTHER RECOMMEND THAT CONGRESS ACT THIS YEAR TO PASS A HIGHWAY BILL IN ORDER THAT THE WASTE AND LOSS DUE TO DELAYS MAY BE AVOIDED. IT IS RATHER INCONGRUOUS THAT FEDERAL LAW AND REGULATION HAS IMPOSED A TIME FRAME WHICH REQUIRES PLANNING FOR A PERIOD OF 5 TO 12 YEARS AND YET THE SAME GOVERNING BODY IS UNWILLING TO MAKE THE SAME COMMITMENT OF DOLLARS OVER TIME.

WYOMING HAS DONE WELL WITH ITS BRIDGE PROGRAM HOWEVER, THERE IS STILL MUCH TO BE DONE. I CONSIDER THIS AS A HIGH PRIORITY ITEM TO BE CONSIDERED IN ANY PIECE OF HIGHWAY LEGISLATION.

I CALL YOUR ATTENTION TO THE NEED TO COMPLETE THE INTERSTATE HIGHWAY SYSTEM. MUCH HAS BEEN WRITTEN ABOUT THIS UNDERTAKING, NOT THE LEAST OF WHICH IS THE COST BOTH PAST AND FUTURE ESTIMATES. I BELIEVE THESE FIGURES ALONE DEMONSTRATE THE COST OF DELAY. LETS GET ON WITH THE PROGRAM AND ENJOY THE FEELING OF COMPLETING A TASK WELL DONE.

ANOTHER POINT I WISH TO MAKE IS THE CATEGORICAL DIVISIONS OF FUNDING. THE FEDERAL AID FUNDING WE HAVE WITNESSED IN THE PAST HAS PROLIFERATED INTO AN

UNMANAGEABLE NIGHTMARE. STATISTICALLY CATEGORIES OF FUNDS MIGHT THEORETICALLY BE PROPER HOWEVER, PRACTICALLY THEY LEAVE VERY LITTLE LATITUDE FOR LOCAL ADAPTATION TO NEEDS WHICH CAN ONLY BE DETERMINED CLOSE AT HAND. I URGE CONSIDERATION OF REDUCTION OF THE NUMBER OF CATEGORIES AND DELEGATING SOME OF THE DECISION MAKING TO A LOWER LEVEL.

THE HUGE AND INCREASING COST TO THE STATES FOR MAINTENANCE OF THE INTERSTATE IS VERY APPARENT. THIS REASON ALONE RECOMMENDS INCLUSION IN ANY HIGHWAY LEGISLATION THE 4 R PROGRAM (RESURFACING, RESTORATION, REHABILITATION, AND RECONSTRUCTION). THIS VERY VITAL LINK MUST REMAIN IN A CONDITION TO CONTINUE A HIGH LEVEL OF SURFACE. TO DO OTHERWISE WOULD ADVERSELY AFFECT ALL OF US ECONOMICALLY AS WELL AS FROM A NATIONAL DEFENSE CONSIDERATION.

WE IN WYOMING ARE WELL AWARE OF THE DEBATES SURROUNDING THE CLEAN AIR ISSUE. OBVIOUSLY WE DO NOT WITNESS THE PRESSING URGENCY TO RECTIFY THE CONDITION AS ONE MIGHT FEEL IF THEY LIVED IN MORE DENSELY POPULATED AREAS. WE, HOWEVER, DESIRE THAT ACTION BE TAKEN QUICKLY TO SETTLE THIS ISSUE AND SAVE ALL OF US FROM UNNEEDED EXPENSE. IT SEEMS OBVIOUS THIS ISSUE IS MORE OF AN EMOTIONAL DEBATE THAN ONE BASED UPON SOLID SCIENTIFIC REASON. WE SUPPORT THE LATTER APPROACH.

ONE LAST ITEM I WISH TO ADDRESS. OVER THE COMING MONTHS MUCH WILL BE STATED PERTAINING TO THE ISSUE OF DONOR VS DONEE OF FEDERAL FUNDS. I MERELY POINT OUT THAT WITHOUT THE THEORY OF DISTRIBUTION OF FEDERAL FUNDS THAT HAS PREVAILED FOR MANY YEARS WYOMING WOULD NOT HAVE THE HIGHWAY SYSTEM IT NOW ENJOYS AND WHICH IS UTILIZED BY NON RESIDENTS DIRECTLY AND INDIRECTLY FOR DELIVERY OF GOODS AND SERVICES AS WELL AS FOR RECREATIONAL PURPOSES. YOU CANNOT DIMINISH THE EFFECTIVENESS OF ONE LINK IN A CLAIM WITHOUT WEAKENING THE CAPACITY OF THE ENTIRE CHAIN.

THANK YOU.

TESTIMONY OF

THE COLORADO CONTRACTORS ASSOCIATION, INC.

BY

R. J. DE LA CASTRO

PRESENTED TO THE

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

SUBCOMMITTEE ON TRANSPORTATION

HEARING ON

FEDERAL HIGHWAY LEGISLATION

August 14, 1981
Denver, Colorado

CCA is:

- A highway, heavy engineering and municipal/utility chapter of the Associated General Contractors of America
- A state-wide organization of 130 contractors and 135 Associates providing goods and services to the contractors.
- Member companies performed 93.8% of the Colorado Department of Highways contract dollar volume in 1980 (calendar year).

August 14, 1981
Federal Highway Legislation

MR. CHAIRMAN, MEMBERS OF THE SUBCOMMITTEE, MY NAME IS R. J. DE LA CASTRO, A HIGHWAY CONTRACTOR HEADQUARTERED IN ARVADA, COLORADO. I AM A PAST PRESIDENT OF THE COLORADO CONTRACTORS ASSOCIATION, INC. AND SERVED AS ASSOCIATED GENERAL CONTRACTORS OF AMERICA HIGHWAY DIVISION CHAIRMAN IN 1979. THE CCA BOARD OF DIRECTORS HAVE ASKED ME TO EXPRESS THEIR APPRECIATION TO THIS SUBCOMMITTEE FOR MAKING IT POSSIBLE TO COMMENT ON THE FORTHCOMING HIGHWAY LEGISLATION.

COLORADO HAS SOME SPECIAL PROBLEMS AND MANY OF THE HIGHWAY PROPOSALS WILL IMPACT SIGNIFICANTLY ON MEETING OUR FUTURE TRANSPORTATION NEEDS. COLORADO'S TERRAIN IS VERY DIVERSE. THE CONTINENTAL DIVIDE RUNNING NORTH AND SOUTH THROUGH THE CENTER OF THE STATE COULD BE A MAJOR BARRIER TO COMMERCE AND TOURISM WITHOUT GOOD HIGHWAYS AND OTHER MODES OF TRANSPORTATION. THIS BARRIER AND RELATED OBSTACLES MEANS THAT MANY, IF NOT MOST, CITIES AND TOWNS RELY ON HIGHWAY TRANSPORTATION AS THEIR LIFELINE FOR THE MOVEMENT OF PEOPLE AND GOODS. HIGHWAYS, ROADS AND STREETS ARE BUILT THROUGH MOUNTAIN PASSES, DOWN NARROW RIVER CANYONS, ACROSS FARMING AREAS AND IN ARID DESERT REGIONS.

AS MUCH AS ANY PLACE IN THE U.S. AND POSSIBLY MORE, THE COST OF GOODS AND SERVICES ARE AFFECTED BY THE COSTS RELATED TO TRANSPORTATION. POOR TRANSPORTATION FACILITIES FEED INFLATION!!

HOWEVER, CCA, LIKE THE AGC OF AMERICA, SUPPORTS PRESIDENT REAGAN'S ECONOMIC PACKAGE. WE FEEL THAT WHEN ADOPTED IN ITS ENTIRETY, ECONOMIC GROWTH WILL BE RESTORED AND SIGNIFICANTLY REDUCE THE DEVASTATING RATE OF INFLATION, WHICH PLAGUES OUR NATION. CCA SUPPORTS THE TESTIMONY GIVEN THIS COMMITTEE EARLIER THIS YEAR ON HIGHWAY TRANSPORTATION NEEDS BY THE AGC/A.

LIKE OTHER STATES, COLORADO'S ROADS ARE IN NEED OF REPAIR AND OUR INTERSTATE NEEDS TO BE COMPLETED. THIRTY PERCENT OF MOST TRAVELED ROADS HAVE BROKEN

AND BUMPY PAVEMENT. THE ROAD INFORMATION PROGRAM REPORT IN JUNE 1980 INDICATED, "COLORADO DRIVERS SPEND TWICE AS MUCH EACH YEAR TRAVELING OVER THE STATE'S BADLY WORN MAIN ROADS AS IT WOULD COST TO REPAIR THE HIGHWAYS." (THE NEWS RELEASE ON THIS STUDY IS ATTACHED).

SPECIFIC CONCERNS OF OUR ASSOCIATION TODAY ARE:

COMPLETION OF THE INTERSTATE SYSTEM

DIFFICULT AND EXPENSIVE AREAS OF THE INTERSTATE REMAIN TO BE CONSTRUCTED IN COLORADO. THREE SEGMENTS REMAIN, TWO IN THE WESTERN PART OF THE STATE, CONSISTING OF 29 MILES IN LENGTH, INCLUDING GLENWOOD CANYON AND DE BEQUE CANYON, PLUS ANOTHER SHORT SECTION OF I-76 NORTH OF DENVER. I-70 IS THE VITAL LINK FOR THE EASTERN AND WESTERN PARTS OF THE STATE OVER THE CONTINENTAL DIVIDE. MUCH OF THE STATE'S ENERGY DEVELOPMENT BORDERS I-70 IN WESTERN COLORADO. ADDED TRAFFIC FROM THIS GROWTH WILL MAKE THE TRIP OVER NON-COMPLETE SEGMENTS EVEN MORE HAZARDOUS AND TIME CONSUMING. WHEN CONSIDERING INTERSTATE COMPLETION FUNDING, THE INCLUSION OF LANE MILEAGE IS OBVIOUSLY A VITAL INGREDIENT FOR WESTERN AREAS WITH VAST DISTANCES AND LOW POPULATION DENSITY, AS WELL AS DIFFICULT TERRAIN TO TRAVERSE.

INTERSTATE TRANSFER PROJECTS

IN THE DENVER METROPOLITAN AREA A PROPOSED INTERSTATE BYPASS ROUTE, VETOED BY GOVERNOR RICHARD LAMM WAS, AFTER MUCH DIALOGUE, CHANGED TO A PARKWAY - C-470 WITH SEVERAL ARTERIAL ROUTES. ALL WERE AUTHORIZED FOR INTERSTATE TRANSFER FUNDING. THE LONG DELAY IN STARTING, AS A RESULT OF THE VETO, HAS, OF COURSE, INFLATED THE COST OF THESE PROJECTS SIGNIFICANTLY. DESPITE THE LACK OF ADEQUATE ROADS AND STREETS, SEVERE POPULATION GROWTH HAS TAKEN PLACE. CCA UNDERSTANDS

THAT BOTH THE ADMINISTRATION BILL (S 841) AND THE SENATE MEASURE (S 1024) PROVIDE FOR FINANCING INTERSTATE TRANSFER SUBSTITUTE PROJECTS FROM THE HIGHWAY TRUST FUND RATHER THAN FROM THE GENERAL FUND AS IS CURRENTLY THE CASE. CCA STRONGLY SUPPORTS THE INCLUSION OF HIGHWAY PROJECTS IN THE TRUST FUND. THIS METHOD CAN REDUCE MANY UNCERTAINTIES ABOUT PROJECT COMPLETION, PROVIDING CONGRESS PASSES AN ON-GOING PROGRAM.

FOR TRANSFER PROJECTS, IT WOULD HELP TO ELIMINATE A SPECIFIC CONSTRUCTION INDUSTRY CONCERN. FUNDING SHORTAGES HAVE CAUSED A LOCAL GOVERNMENT ENTITY TO PROPOSE TO BUILD SEGMENTS USING THEIR OWN MEN AND EQUIPMENT. NEEDLESS TO SAY, COMPETITION FROM GOVERNMENT IS NOT COST EFFECTIVE, NOR IS IT SOMETHING OUR INDUSTRY NEEDS AT A TIME PUBLIC WORKS IN GENERAL ARE FACED WITH A REDUCED BUDGET. RESTRICTING LOCAL GOVERNMENTAL ENTITIES FROM USING THEIR OWN MEN AND EQUIPMENT FOR CONSTRUCTION OF PROJECTS WOULD BE GREATLY APPRECIATED.

ENERGY

MANY DIFFERENT AGENCIES AND ORGANIZATIONS HAVE DISCUSSED THE ENERGY ISSUE. THEY HAVE SUFFICIENT FACTS AND FIGURES TO SUPPORT THE NEED FOR ASSISTANCE IN THESE IMPACTED AREAS. EVEN THOUGH THE COLORADO LEGISLATURE HAS INCREASED STATE HIGHWAY FUNDS, THERE ARE NOT SUFFICIENT FUNDS AVAILABLE FOR ALL COLORADO'S NEEDS. WITHOUT DUPLICATING OTHERS, CCA SUPPORTS CONTINUED FEDERAL ASSISTANCE FOR SECONDARY AND URBAN AREAS. IN COLORADO AND THE WESTERN MOUNTAIN AREA PARTICULARLY, ENERGY IMPACTS DIRECTLY OR INDIRECTLY ALL CITIES THROUGH WHICH COAL TRAINS TRAVEL. IN ADDITION, THE SECONDARY AND URBAN SYSTEM CANNOT SUPPORT THE HEAVY TRUCK TRAFFIC REQUIRED. THESE NEEDS CANNOT BE MET BY THE STATE ALONE.

FINANCING

WE MUST MAKE PLANS NOW FOR AN INCREASED CAPITAL INVESTMENT, TO BE IMPLEMENTED AT THE APPROPRIATE TIME CONSISTENT WITH OUR NATION'S ECONOMIC PERFORMANCE.

CAPITAL SPENDING IS NEEDED TO COMPLETE, MAINTAIN OR UPGRADE TRANSPORTATION FACILITIES. ALL LEVELS OF GOVERNMENT MUST CONTINUE TO INVEST IN PUBLIC WORKS INCLUDING HIGHWAYS, BRIDGES AND ROADS TO PRESERVE THE NATION'S LARGE INVESTMENT IN TRANSPORTATION AND ITS ECONOMIC BENEFITS.

CCA RECOMMENDS:

1) THE HIGHWAY TRUST FUND BE EXTENDED INDEFINITELY
2) THE NUMBER OF CATEGORIES BE REDUCED
3) THE FEDERAL MOTOR FUEL TAX BE INCREASED AND INDEXED TO SOME MEASURE OF INFLATION
4) THE CASH BALANCE IN THE TRUST FUND BE REDUCED TO THE MINIMUM LEVEL NECESSARY FOR CASH FLOW PURPOSES
5) THAT INTERSTATE UPGRADING BE ADDED TO THE 3-R PROGRAM MAKING RESURFACING, RESTORATION, REHABILITATION AND RECONSTRUCTION.
6) ALL TRANSFER FUND PROJECTS AND 4-R PROJECTS TO BE AWARDED BY COMPETITIVE BIDS.
7) THE REVIEW AND ELIMINATION OF FEDERAL REGULATIONS AND ADMINISTRATIVE REQUIREMENTS THAT ARE NOT COST JUSTIFIED OR EFFECTIVE.

CCA FURTHER RECOMMENDS THAT THE IMPOSITION OF OBLIGATIONAL CEILINGS BE DISCONTINUED. WHEN A FUEL -- ANY FUEL -- PROPELS A VEHICLE OVER THE HIGHWAY, THAT FUEL SHOULD BE TAXED FOR THE HIGHWAY TRUST FUND.

ALL FUNDS COLLECTED FOR THE TRUST FUND SHOULD BE SPENT ONLY FOR HIGHWAY PURPOSES. ANY DIVERSION OF THESE FUNDS REDUCES OUR NATION'S ABILITY TO PROPERLY BUILD AND MAINTAIN AN ADEQUATE TRANSPORTATION NETWORK.

FINALLY, AS A PRECAUTION, IN THE EXTREME EVENT THAT NO LEGISLATION CAN BE ENACTED THIS YEAR, THE CONGRESS SHOULD, AS A MINIMUM APPROVE A CONCURRENT RESOLUTION APPROVING A 1981 INTERSTATE COST ESTIMATE UNDER THE EXISTING 1978 TRANSPORTATION ACT SO THAT THE ADMINISTRATION CAN PROCEED WITH INTERSTATE APPORTIONMENTS BEING MADE IN FISCAL YEAR 1982.

AGAIN, WE WANT TO EXPRESS OUR APPRECIATION AND THANKS FOR BEING PERMITTED TO ADDRESS THIS COMMITTEE ON SUBJECTS VITAL TO COLORADO TRANSPORTATION NEEDS.

* * * *

From: Timothy J. Doke
Carl Byoir & Associates, Inc.
181 Fremont Street
San Francisco, CA 94105
(415) 957-9405

For: The Road Information Program
Contact: Lorna Wyckoff
(2020) 466-6706

FOR RELEASE,

Monday, June 16, 1

In Colorado:

WASTE DUE TO
BAD ROADS PUT
AT $150 MILLION

DENVER -- Colorado drivers spend twice as much each year traveling over the state's badly worn main roads as it would cost to repair the highways, said a study released today.

Bumpy, broken pavement on 30 percent of Colorado's most heavily traveled roads causes fuel waste, excessive tire wear and extra vehicle repairs. This forces drivers statewide to spend $150.5 million yearly -- or about $75 each -- in increased vehicle operating costs, according to The Road Information Program (TRIP) of Washington, D.C.

Wasted fuel totals 94 million gallons of gasoline and accounts for the largest percentage of the overall loss. TRIP said that bad roads cost the average Colorado driver nearly 50 gallons of gas per year. Drivers use up to 56 percent more fuel when driving on substandard pavement "due to loss of traction and uneven power flow through the drive train due to vibration," the TRIP report said.

"We're not talking about unpaved back roads," said Kenney, "but about Colorado's primary and secondary roads used for commerce, agriculture, tourism and commuting.

"Colorado desperately needs a more permanent solution to its highway funding needs. Until then, we can only expect continued deterioration of our streets and highways," Kenney said.

Driving costs are further increased by traffic congestion, narrow lanes, outdated bridges and accidents -- all related to deficient roads. However, these additional costs are not part of the TRIP study.

According to the report, the problem would be much worse were it not for the efforts of the state Department of Highways and county and local road agencies to achieve the best road maintenance possible within extremely limited budgets, TRIP said.

TRIP recommended a 10-year, $72.4-million-per-year road renewal program to bring Colorado's main roads up to standard. This estimate does not consider the uncertain rate of future inflation.

TRIP's findings were based on scientific road tests that measured fuel consumption and tire and vehicle wear relative to the physical condition of the road surface. Other sources of data included the Colorado Department of Highways, the Federal Highway Administration and the National Highway Traffic Safety Administration.

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FEDERAL-AID HIGHWAY PROGRAM HEARING
DENVER, COLORADO
1:00 P.M., AUGUST 14, 1981
OLD SUPREME COURT CHAMBER
STATE CAPITOL BUILDING

BEFORE THE SUBCOMMITTEE ON TRANSPORTATION
OF SENATE ENVIRONMENT AND
PUBLIC WORKS COMMITTEE

CHAIRMAN -- SENATOR STEVE SYMMS (R-IDAHO)

MY NAME IS WILLIAM R. WARD. I AM OWNER AND PRESIDENT OF WARD TRANSPORT, INC., AN INTERSTATE LIQUID FUEL CARRIER, HEADQUARTERED IN PUEBLO AND WITH OPERATIONAL OFFICES IN DENVER, COLORADO. OUR COMPANY OPERATES 125 TRACTORS AND 200 TRAILERS IN THE STATES OF NEBRASKA, WYOMING, NEW MEXICO AND COLORADO, WITH GROSS REVENUES IN 1980 APPROACHING $10 MILLION. WE ARE PLANNING TO EXTEND OUR TRANSPORTATION SERVICES INTO OTHER STATES AS WELL.

I AM ALSO VICE PRESIDENT OF THE AMERICAN TRUCKING ASSOCIATIONS, INC., AN OFFICER OF THE NATIONAL TANK TRUCK CARRIERS CONFERENCE OF ATA, BOTH LOCATED IN WASHINGTON, D.C., AND A PAST CHAIRMAN OF THE BOARD AND PRESIDENT OF THE COLORADO MOTOR CARRIERS ASSOCIATION.

I APPRECIATE THE INVITATION TO TESTIFY AND THE OPPORTUNITY TO EXPRESS OUR VIEWS ON THE NATION'S HIGHWAY PROGRAM AND HOW

IT AFFECTS THE WESTERN STATES AND OUR OWN STATE OF COLORADO. TRUCK SIZES AND WEIGHTS ARE OUR CHIEF CONCERNS, ALONG WITH THE GREATER DISTANCES WE MUST TRAVEL TO GIVE SERVICE.

IN THE WEST, THE COORDINATES OF WEIGHT AND DISTANCE CREATE THE PRODUCTIVITY THAT SUCCEEDS IN PROFIT TO A TRUCKER. WE GET PAID FOR WHAT WE HAUL; AND THE WEIGHTS WE HAUL, LIMITED AS THEY ARE, ARE FURTHER AFFECTED IN THIS UPSTREAM ECONOMY BY THE CHRONIC CLIMB IN THE COST OF EACH AND EVERY OPERATIONAL ITEM WE HAVE.

IN COLORADO, DISTANCE IS COMPOUNDED WITH MOUNTAINOUS TERRAIN AND RADICAL CHANGES IN WEATHER, BUT WE SERVE THE PUBLIC NEVERTHELESS WHETHER IT BE A CONCENTRATED POPULATION CENTER LIKE DENVER OR A SMALL TOWN AT A REMOTE LOCATION IN COLORADO.

WEIGHT IS OUR RALLYING CRY. THE DIMENSIONS OF THE VEHICLE ARE ALSO PART AND PARCEL OF OUR CASE, BUT OUR EMPHASIS HERE IS ON WEIGHT AND WHAT WE FEEL IS NEEDED IN COLORADO. WE SUGGEST THAT THE SLOW, EVEN CYNICAL, ATTITUDE TOWARD THE DEVELOPMENT OF THE TRUCKING ECONOMY IN COLORADO IS MORE A POLITICAL REJECTION THAN THE REASON OF SOME IMPRACTICAL PROGRAM OR FUNDS.

A BRIEF HISTORICAL PERSPECTIVE BEARS THIS OUT:

FIRST ON FUNDING...IN 1954 COLORADO PASSED AND PLACED ON THE TRUCKING INDUSTRY A GROSS-TON MILE TAX. THE THEORY WAS THAT TRUCKS USE THE HIGHWAYS MORE THAN OTHER VEHICLES AND SHOULD PAY MORE FOR THE RIGHT OF COMMERCIAL USES. THAT SPECIAL TAX, IMPOSED ONLY ON TRUCKS AND BUSES, HAS GROWN OVER THE YEARS TO PRODUCE IN THE LAST FISCAL YEAR NEARLY $26 MILLION. THIS, PLUS THE TRUCKING INDUSTRY'S SHARE OF FUELS TAXES, OWNERSHIP AND LICENSING, AND THE OTHER ITEMS WHICH GO INTO OUR STATE HIGHWAY TRUST FUND, AMOUNTS TO -- YEAR IN AND YEAR OUT -- A 40% TO 45% SHARE OF TOTAL MONIES IN THE TRUST FUND, ALL CONTRIBUTED BY THE TRUCKING INDUSTRY. THIS FUND, DIRECTED BY OUR STATE CONSTITUTION, IS DEDICATED TO "BE USED EXCLUSIVELY FOR THE CONSTRUCTION, MAINTENANCE, AND SUPERVISION OF THE PUBLIC HIGHWAYS OF THIS STATE."

THUS, IN OUR VIEW, WE FAIRLY BEAR OUR SHARE OF THE FUNDING. IN ADDITION, THE LEGISLATURE THIS YEAR APPROVED A TWO-CENTS-A-GALLON INCREASE IN FUELS TAXES, BEGINNING JULY 2, 1981, IN WHICH THE INDUSTRY PARTICIPATES IN PAYING.

WHILE COLORADO STATE POLICY HAS BEEN WILLING TO PRESS FOR MORE FUNDS FROM TRUCKERS, IT HAS BEEN LESS WILLING IN THE PAST DECADE IN PARTICULAR TO HEAR THE PLEAS FOR RELIEF THROUGH

ADDITIONAL WEIGHT ALLOWANCES -- UNLESS THE POLITICAL REALITIES OF AN EMERGENCY ENVIRONMENT WERE PRESSED TO RESPOND.

IN 1973, AFTER A TRYING STRUGGLE WITH OUR LEGISLATURE, THE TRUCKING INDUSTRY WAS GRANTED AN INCREASE IN WEIGHT ON THE STATE'S HIGHWAYS. IN 1974 THE FEDERAL-AID HIGHWAY ACT ENABLED STATES TO INCREASE WEIGHTS ON THE INTERSTATE SYSTEM TO 80,000 LBS. COLORADO APPROVED THE NEW WEIGHT. AT PRESENT, WE ARE ALLOWED 80,000 LBS. MAXIMUM ON OUR INTERSTATE SYSTEM AND 85,000 LBS. MAXIMUM ON OTHER COLORADO STATE HIGHWAYS AND ROADS.

THE INDUSTRY DOESN'T LIKE THIS DIFFERENTIAL IN WEIGHTS ANY MORE THAN THE STATE; BUT IT WAS HARD WON, AND WE DON'T WANT TO GIVE IN TO THOSE WHO WISH TO TAKE THE 5,000 LBS. AWAY FOR A UNIFORM STATE AND FEDERAL 80,000 LBS. MAXIMUM. WE TRIED ADVANCING THAT WEIGHT ON TO THE INTERSTATE SYSTEM, TO MAKE A UNIFORM MAXIMUM AT 85,000 LBS. BUT WERE DENIED, AS I SHALL BRIEFLY DESCRIBE LATER. WEIGHT IS OUR LIFEBLOOD IN TRUCKING; WE CAN'T GIVE IT UP; WE MUST KEEP WHAT WE HAVE AS A MINIMUM.

NOW LET ME ADDRESS THE BELIEF WE HAVE THAT TRUCK WEIGHTS ARE MORE POLITICALLY MOTIVATED THAN PRACTICALLY DEVELOPED.

THE NOTION EXPRESSED BY FOES OF OUR INDUSTRY IS USUALLY A DIRGE OF EQUIVOCAL ANXITIES OVER HEAVIER TRUCKS CAUSING MORE THAN THE ORDINARY DAMAGE TO HIGHWAYS, ANNOYING TO TRAFFIC PATTERNS, AND THREATENING TO THE PUBLIC SAFETY. THE UTILITY OF THE INDUSTRY, ITS SERVICE IMPERATIVE, IS A MATTER OF INDIFFERENCE.

BUT...

...IN THE MID-1970'S IN COLORADO, THE FIRST CONSUMER LINES APPEARED AT RETAIL STATIONS TO PURCHASE FUELS SUDDENLY IN SHORT SUPPLY DUE TO WORLD CONDITIONS. AS A CONSEQUENCE OF CONSUMER NEEDS, THE GATES WERE OPENED BY EXECUTIVE DECREE TO THE TRUCKING INDUSTRY TO CARRY HEAVIER LOADS, TO GET THE FUEL DISTRIBUTED. THERE WAS NO CONCERN OVER DAMAGE TO ROAD-BEDS THEN.

AGAIN, IN LATE 1978 AND INTO 1979, THE LINES WERE BACK. FUELS PROSPECTS WERE DIRE; DISPOSITIONS WERE DIM, AND TIGHTENING THE BELT IN CONSUMPTION OF FUELS WAS THE MOOD. DISTRIBUTION WAS A BOTTLENECK FOR WHAT FUELS WERE AVAILABLE.

SUDDENLY, ONCE MORE THE TRUCKING INDUSTRY BECAME THE BELLE OF TRANSPORTATION SERVICES. GOVERNOR LAMM ISSUED AN EXECUTIVE ORDER ALLOWING PETROLEUM CARRIERS WEIGHT UP TO 90,000 LBS. THE INITIAL OFFER WENT HIGHER BUT THE INDUSTRY

REASONED THAT EQUIPMENT SAFETY FACTORS WERE PARAMOUNT.

THE LEGISLATURE, IN THE SAME PERIOD, AGREED TO LET THE INDUSTRY RUN BY SPECIAL PERMIT AT 85,000 LBS. ON THE INTERSTATE SYSTEM, THE SAME WEIGHT AS THE INTRASTATE HIGHWAYS WERE ALLOWED.

FOR NEARLY TWO MONTHS IN THE SUMMER OF 1979, THE TRUCKING INDUSTRY ENJOYED A HONEYMOON WITH STATE POLICY THAT IT HAD NEVER KNOWN BEFORE. THEN, AS WITH MANY HONEYMOONS, IT COLLAPSED -- A SOUR MOTHER-IN-LAW IN THE GUISE OF THE FEDERAL HIGHWAY ADMINISTRATION DECLARED THE HIGHER INTERSTATE PERMITTED WEIGHTS ANNULLED BECAUSE THEY WERE IN VIOLATION OF WEIGHT ALLOWANCES IN U.S. CODE, SECTION 127, TITLE 23. AT SEPTEMBER 1, 1979, THE WEIGHT LEVELS WERE RETURNED TO THEIR FORMER STATUS.

THERE WAS NO EVIDENCE DURING THAT PERIOD OF ABNORMAL DAMAGE TO HIGHWAYS OR INCREASED IMPAIRMENTS TO SAFETY!

WHEN THE INDUSTRY WAS NEEDED...IT WAS THERE! IT WAS USED! THOSE CAUTIONS, DESIGNED OR REAL, WERE FORGOTTEN!

NOW THE INDUSTRY NEEDS HELP; IT NEEDS AN INCREASE IN ALLOWABLE WEIGHT TO OUTSPRINT THE DESTRUCTIVE EFFECTS OF

INFLATION. YET WE FIND THE SAME HACKNAYED, PERSISTENT ROADBLOCKS TO EXTENDED PERFORMANCE AND PRODUCTIVITY, BOTH AT THE STATE AND FEDERAL LEVELS. NEEDLESS TO SAY, IT IS THE CONSUMER OF OUR SERVICE WHO ULTIMATELY PAYS FOR THIS INEFFIENCY. IN OTHER WORDS, THE CONSUMER IS THE ULTIMATE WINNER FROM GREATER WEIGHTS.

THE COLORADO GENERAL ASSEMBLY THIS YEAR, TO ITS CREDIT, DID AUTHORIZE A ONE-YEAR TEST OF LONGER VEHICLE COMBINATIONS, IN THE INTERST OF STUDYING PRODUCTIVITY AND FUEL CONSERVATION. THE TEST, BY SELECTED CARRIERS UNDER THE DIRECTION OF THE COLORADO DEPARTMENT OF HIGHWAYS, WILL INVOLVE ONLY LONGER VEHICLES, NOT HEAVIER ONES. WEIGHT, IT APPEARS, IS STILL A BUGABOO!

THE WESTERN PART OF THE COUNTRY IS PARTICULARLY DEPENDENT ON TRUCK TRANSPORTATION, AND ON THE NEED TO ACHIEVE GREATER EFFICIENCIES IN MOTOR CARRIER SERVICE. JUST AS THERE IS NEED FOR A CONTINUATION OF A PROGRESSIVE HIGHWAY PROGRAM, WE NEED TO BE ABLE TO UTILIZE MODERN HIGHWAYS TO THEIR FULLEST ECONOMIC POTENTIAL. WE CANNOT DO THIS IN COLORADO AND THE WEST UNDER THE PRESENT FEDERAL STANDARDS.

THE CURRENT NATIONAL TRUCKING INDUSTRY POLICY CALLS FOR A MINIMUM GROSS WEIGHT OF 80,000 LBS.; A MINIMUM LENGTH

LIMIT OF 60 FEET FOR TRACTOR SEMITRAILER COMBINATIONS, AND 65 FEET FOR OTHER VEHICLE COMBINATIONS. IMPORTANTLY FOR THE WEST, WHICH ALREADY HAS THESE LIMITS, IS THE FACT THAT THE POLICY MANDATES MINIMUM ONLY. UNDER THE INDUSTRY'S POLICY, FOR WHICH WE SOLICIT THE CONSIDERATION OF YOUR SUBCOMMITTEE FOR CONGRESSIONAL IMPLEMENTATION, MAXIMUM VEHICLE COMBINATION LENGTHS WOULD BE LEFT TO EACH STATE TO DETERMINE IN ACCORDANCE WITH ITS INDIVIDUAL TRANSPORTATION REQUIREMENTS. THE INDUSTRY POLICY WOULD ALSO PROVIDE THE ELIMINATION OF ANY FIXED MAXIMUM GROSS WEIGHT LIMIT SUCH AS NOW EXISTS IN FEDERAL LAW. MAXIMUM GROSS WEIGHT WOULD BE CONTROLLED IN EACH STATE BY THE APPLICATION OF THE GROSS WEIGHT FORMULA (BRIDGE TABLE "B") AS PRESENTLY CONTAINED IN SECTION 127, TITLE 23, U.S. CODE, TO THE PARTICULAR VEHICLE, OR VEHICLE COMBINATION, INVOLVED.

THIS PROGRAM IN NO WAY PRESENTS ANY THREAT TO THE SERVICEABILITY OR LIFE OF OUR MODERN HIGHWAY SYSTEM, ACCORDING TO INDUSTRY HIGHWAY ENGINEERS. THE LENGTHS, AXLE WEIGHTS, AND GROSS WEIGHTS THAT STATES WOULD BE PERMITTED TO HAVE ARE COMPLETELY IN LINE WITH HIGHWAY CAPABILITIES. OUR MODERN ROAD SYSTEM WAS DESIGNED AND BUILT FOR THESE LENGTHS AND WEIGHTS. THE TRUCKING INDUSTRY'S APPROACH ALLOWING THE STATES THE

FLEXIBILITY TO ADJUST THEIR LENGTHS TO MEET INDIVIDUAL STATES, OR REGIONAL NEEDS, BUT TO HAVE GROSS WEIGHTS COMPATABLE WITH BRIDGE DESIGN -- MAKES IT POSSIBLE FOR STATES AND/OR REGIONS TO ACCOMMODATE AND MEET MORE REALISTICALLY VARYING TRANSPORTATION REQUIREMENTS.

AND LAST, MR. CHAIRMAN, BUT NOT AT ALL THE LEAST, IS THE VEXING PROBLEM THAT CAUSED OUR MOTHER-IN-LAW CONFRONTATION THAT I EARLIER DESCRIBED. THIS PROBLEM APPEARS TO HAVE A READY SOLUTION: AN ADMINISTRATIVE REDEFINITION AND INTERPRETATION BY THE FEDERAL HIGHWAY ADMINISTRATION. IN COLORADO THIS SOLUTION COULD BE ACCOMPLISHED BY YOUR COMMITTEE IMMEDIATELY AND COULD GRANT INSTANT WEIGHT RELIEF OF 5,000 LBS. ON OUR INTERSTATE HIGHWAYS. LET ME EXPLAIN...

THE FEDERAL-AID HIGHWAY ACT OF 1956, AS AMENDED IN 1964, PROVIDED A "GRANDFATHER CLAUSE" THAT WAS SPECIFICALLY DESIGNED TO PROTECT WEIGHT LIMITS IN A STATE THAT WERE LEGALLY PERMISSIBLE IN 1956, EVEN THOUGH THEY MIGHT EXCEED THE FEDERAL LIMIT. SOME OF THESE HIGHER WEIGHT LIMITS WERE ALLOWED UNDER SPECIAL WEIGHT PERMIT SECTIONS IN STATE STATUTES.

THE LANGUAGE IN THE 1956 STATUTE WAS QUITE CLEAR, WE BELIEVE. THIS CLARITY WAS NOT DISTURBED BY THE 1974 AMENDMENTS.

DESPITE THIS, SEVERAL STATES, AND COLORADO IS ONE, HAVE HAD SPECIAL PERMIT OPERATIONS CHALLENGED BY THE FEDERAL HIGHWAY ADMINISTRATION ON THE BASIS THE STATES WERE PERMITTING GROSS WEIGHTS NOT ALLOWED UNDER FEDERAL STATUTE. THIS IS THE SITUATION I DESCRIBED EARLIER WHERE COLORADO PERMITTED 85,000 LBS. ON THE INTERSTATE SYSTEM. THE INDUSTRY INTERPRETS THE 1974 AMENDMENTS TO MEAN THAT WHAT THE STATE ALLOWED IN MAXIMUM WEIGHT AT THE DATE OF ENACTMENT SHOULD BE GRANDFATHERED.

WE BELIEVE THE CONTRARY INTERPRETATION BY THE FEDERAL HIGHWAY ADMINISTRATION REPRESENTS AN UNWARRANTED AND INCORRECT ACTION. WE WOULD APPRECIATE YOUR COMMITTEE INVESTIGATING AND CORRECTING THE ACTION. IT WOULD BE A MODEST AND WELCOME RELIEF FOR US.

THANK YOU.

STATEMENT OF
JON R. BRINTON
OF
THE NATIONAL ASSOCIATION
OF TRUCK STOP OPERATORS

BEFORE THE SENATE SUBCOMMITTEE ON
TRANSPORTATION

DENVER, COLORADO--AUGUST 14, 1981

MR. CHAIRMAN, MY NAME IS JON R. BRINTON. I AM PAST CHAIRMAN OF THE BOARD OF THE NATIONAL ASSOCIATION OF TRUCK STOP OPERATORS AND CHAIRMAN OF THE ASSOCIATION'S GOVERNMENT AFFAIRS COMMITTEE. I AM ALSO THE OWNER OF TRUCKERS, A TRUCK STOP LOCATED IN SALT LAKE CITY.

THE NATIONAL ASSOCIATION OF TRUCK STOP OPERATORS IS COMPOSED OF APPROXIMATELY 1,000 MEMBERS, INCLUDING NOT ONLY TRUCK STOP OPERATORS FROM EVERY ONE OF THE CONTINENTAL UNITED STATES, BUT ALSO A LARGE NUMBER OF WHAT WE CALL "ALLIED MEMBERS," COMPANIES WHO PROVIDE GOODS AND SERVICES TO THE TRUCK STOP INDUSTRY.

MR. CHAIRMAN, TRUCKING IS THE LIFE BLOOD OF AMERICA'S TRANSPORTATION SYSTEM. THE IMPORTANCE OF TRUCKING IS WHAT MAKES TRUCK STOPS SO ESSENTIAL. TRUCK STOPS, LOCATED ON THE NATION'S INTERSTATE, PRIMARY AND ARTERIAL

HIGHWAYS, HELP TRUCKERS MOVE AMERICA'S GOODS TO THE MARKETPLACE -- NOT ONLY BY SELLING FUEL, BUT BY PROVIDING FOOD, REPAIR SERVICE AND LODGING.

THE NATIONAL ASSOCIATION OF TRUCK STOP OPERATORS THEREFORE HAS A KEEN INTEREST IN HIGHWAY LEGISLATION, WHICH BY AFFECTING CARRIERS AND TRUCKERS WOULD ALSO AFFECT TRUCK STOP OPERATORS.

I AM PLEASED TO BE ABLE TO REPRESENT THE VIEWS OF OUR

ASSOCIATION, OR NATSO FOR SHORT, ON PROPOSED HIGHWAY LEGISLATION BEFORE YOUR SUBCOMMITTEE TODAY.

THE MAJOR HIGHWAY BILLS BEFORE CONGRESS ARE, OF COURSE, S. 1024, SPONSORED BY THE FULL COMMITTEE'S CHAIRMAN, MR. STAFFORD, BY YOU, MR. CHAIRMAN, AND BY OTHER MEMBERS OF THE COMMITTEE; S. 841 AND H.R. 3197, THE ADMINISTRATION'S PROPOSAL; AND H.R. 3210, THE ONE-YEAR BILL REPORTED BY THE HOUSE PUBLIC WORKS COMMITTEE.

NATSO FINDS H.R. 3210 TO BE INADEQUATE IN THAT IT AUTHORIZES FUNDING ONLY THROUGH FISCAL 1983. A MULTI-YEAR APPROACH, AS PROPOSED BY THE ADMINISTRATION AND ENDORSED BY THE SENATE BILL, IS NEEDED IF THE PROBLEMS OF HIGHWAY CONSTRUCTION AND MAINTENANCE ARE TO BE DEALT WITH IN A COMPREHENSIVE WAY.

THE ADMINISTRATION'S BILL CONTAINS SOME FEATURES THAT NATSO SUPPORTS AND OTHERS THAT IT OPPOSES.

WE SUPPORT A REDUCTION IN THE SPENDING CEILING ON OBLIGATIONS OF THE HIGHWAY TRUST FUND. AT A TIME OF HIGH INFLATION, AND GIVEN THE NEED TO SUBSTANTIALLY REDUCE GOVERNMENT SPENDING, NATSO RECOGNIZES THAT FEDERAL SPENDING ON THE NATION'S HIGHWAY PROGRAM MUST BE CONTROLLED.

WE FAVOR MAKING INTERSTATE CONSTRUCTION FUNDS AVAILABLE FOR BUILDING UNSTARTED SEGMENTS ONLY AT A NEW MINIMUM LEVEL OF SERVICE. NATSO BELIEVES, HOWEVER, THAT A SIX-LANE STANDARD IN URBAN AREAS WITH MORE THAN A 400,000 POPULATION IS TOO RESTRICTIVE; H.R. 3210'S STANDARD OF EIGHT LANES IN URBAN AREAS OF MORE THAN 1 MILLION PEOPLE IS A MORE FAR-SIGHTED RECOMMENDATION. OTHERWISE, THESE SEGMENTS WILL BECOME TOO CONGESTED ALMOST AS SOON AS THEY ARE OPENED.

NATSO ALSO BELIEVES THAT LIMITED WORK ON ALREADY COMPLETED PORTIONS OF THE INTERSTATE SHOULD BE FUNDED, AS PROPOSED BY THE ADMINISTRATION.

OUR ASSOCIATION SUPPORTS AN EXPANSION OF THE "3R" PROGRAM --

RESURFACING, RESTORATION AND REHABILITATION -- TO INCLUDE RECONSTRUCTION. TO HELP STATES PREVENT DETERIORATION OF THE INTERSTATE SYSTEM, THE FEDERAL SHARE OF THE "4R" PROGRAM SHOULD BE RAISED FROM A 75-25 SHARE TO A 90-10 MATCH, AS CALLED FOR BY THE ADMINISTRATION.

NATSO FAVORS AN EXTENSION OF THE CURRENT 4 CENTS-A-GALLON FEDERAL FUELS TAX THROUGH FISCAL 1989. IN LIGHT OF THE FACT THAT THE CURRENT BALANCE OF THE HIGHWAY TRUST FUND IS MORE THAN $8 BILLION, SUCH AN EXTENSION IS APPROPRIATE. HOWEVER, NATSO IS AWARE THAT ESCALATING CONSTRUCTION AND MAINTENANCE COSTS, ALONG WITH AMERICANS' USE OF MORE FUEL-EFFICIENT CARS, HAVE LATELY CAUSED A DECLINE IN THE TRUST FUND. SHOULD THE CURRENT BALANCE FALL TOO LOW, NATSO MIGHT HAVE TO REASSESS ITS POSITION ON THE 4 CENTS-A-GALLON TAX. WHILE NATSO WOULD BE EXTREMELY RELUCTANT TO SUPPORT ANY TAX INCREASE, THE ASSOCIATION ALSO FEELS THAT THE SUBSTANTIAL INVESTMENT ALREADY MADE IN OUR INTERSTATE SYSTEM MUST BE PROTECTED.

FINALLY, NATSO SUPPORTS AN INCREASE IN AUTHORIZATIONS FOR THE PRIMARY SYSTEM AND FOR BRIDGE REPAIR WORK, AS WELL THE CONSOLIDATION OF HIGHWAY SAFETY PROGRAMS.

NATSO OPPOSES THE ADMINISTRATION'S PROPOSAL TO ALLOW THE TRANSPORTATION SECRETARY TO DROP, OR "DEMAP" THOSE SEGMENTS OF THE INTERSTATE SYSTEM THAT HE FINDS NOT ESSENTIAL, NOT COST EFFECTIVE OR ENVIRONMENTALLY UNSOUND. OUR ASSOCIATION BELIEVES THAT STATE AND LOCAL OFFICIALS ARE BEST EQUIPPED TO DETERMINE WHETHER A UNSTARTED INTERSTATE SEGMENT IS NEEDED OR NOT NEEDED. WE ARE PLEASED, OF COURSE, THAT S. 1024 CONTAIN NO PROVISION GIVING THE TRANSPORTATION SECRETARY SUCH AUTHORITY.

WE OPPOSE THE ADMINISTRATION'S RECOMMENDATION TO ELIMINATE FEDERAL FUNDING FOR URBAN AND RURAL ROADS IN FISCAL 1984. ALTHOUGH IT WILL ALMOST SURELY BE NECESSARY TO PHASE OUT FEDERAL INVOLVEMENT IN THIS AREA IN THE NOT-TOO-DISTANT FUTURE, NATSO BELIEVES THAT THE

ADMINISTRATION'S TIMETABLE IS TOO QUICK, AND DOES NOT GIVE STATE AND LOCAL GOVERNMENTS ADEQUATE TIME TO ASSESS THEIR PRIORITIES AND FINANCIAL RESOURCES IN PLANNING, COMPLETING OR RE-EVALUATING THEIR STATE AND LOCAL HIGHWAY PROJECTS.

ONCE AGAIN, S. 1024 WISELY REJECTS THIS PROPOSAL. ITS PROVISION TO CONTINUE FUNDING THROUGH FISCAL 1986 WHILE REDUCING THE FEDERAL SHARE OF COSTS FROM 75 TO 50 PER CENT IS A BALANCED APPROACH TO THIS MATTER.

THE ADMINISTRATION HAS PROPOSED TO ELIMINATE FUNDS TO HELP STATES ENFORCE THE 55 MILE-AN-HOUR SPEED LIMIT. WHILE NATSO DOES NOT OBJECT TO THIS PROPOSAL, IT RECOGNIZES AND RESPECTS THE VIEWS OF THOSE MEMBERS OF CONGRESS WHO FEEL STRONGLY THAT THE 55 MILE-AN-HOUR LIMIT SHOULD BE ENFORCED BY THE STATES TO SAVE LIVES AND CONSERVE FUEL.

THE NATIONAL ASSOCIATION OF TRUCK STOP OPERATORS IS COMMITTED TO THE OBJECTIVE OF DEVELOPING A SAFE, ECONOMICAL AND EFFICIENT

TRANSPORTATION SYSTEM. THE COMPLETION AND MAINTENANCE OF THE NATION'S INTERSTATE HIGHWAY SYSTEM IS AN ESSENTIAL PART OF ACHIEVING THAT OBJECTIVE.

BUT IT IS ALSO IMPERATIVE THAT CONGRESS ACT IMMEDIATELY TO ESTABLISH A NATIONAL UNIFORM STANDARD OF TRUCK LENGTHS, WIDTHS AND WEIGHTS. TODAY, AN ENORMOUS AMOUNT OF TIME, MONEY AND FUEL IS WASTED AS A RESULT OF NON-UNIFORM REGULATIONS THAT INHIBIT THE FREE-FLOW OF INTERSTATE COMMERCE.

NATSO SUPPORTS LEGISLATION, SUCH AS THAT SPONSORED BY SEN. HOWARD CANNON OF NEVADA, WHICH WOULD SET A UNIFORM STANDARD FOR TRUCK LENGTHS (INCLUDING A REQUIREMENT THAT STATES PERMIT "DOUBLES" ON THEIR ROADS) AND TRUCK WIDTHS (102 INCHES).

AND EVEN THOUGH ONLY TWO STATES HAVE FAILED TO RAISE THEIR TRUCK WEIGHT LIMITS TO 80,000 POUNDS, THOSE TWO STATES -- ILLINOIS AND

ARKANSAS -- ARE STRATEGICALLY LOCATED AND CONTINUE TO IMPOSE AN UNFAIR BURDEN ON CARRIERS AND TRUCKERS ALIKE. NATSO URGES YOUR SUBCOMMITTEE AND THE FULL ENVIRONMENT AND PUBLIC WORKS COMMITTEE TO ATTACH AN AMENDMENT OR AMENDMENTS TO S. 1024 TO DEAL WITH THIS SERIOUS PROBLEM.

MR. CHAIRMAN, THANK YOU FOR YOUR TIME AND FOR GIVING ME THE OPPORTUNITY TO PRESENT THE VIEWS OF OUR ASSOCIATION HERE TODAY.

* * * *

FEDERAL-AID HIGHWAY ACT OF 1981

SATURDAY, AUGUST 15, 1981

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
SUBCOMMITTEE ON TRANSPORTATION,
Boise, Idaho.

The subcommittee met at 10 a.m., in the Holiday Inn, Hon. Steve Symms (chairman of the subcommittee) presiding.

OPENING STATEMENT OF HON. STEVE SYMMS, U.S. SENATOR FROM THE STATE OF IDAHO

Senator SYMMS. The subcommittee will convene now. Before I make a very brief opening statement, I'd like to introduce some of the staff that are here. This is Sam Routson standing up right here who is on my staff. He is from Weiser but is on my Washington staff doing Public Works and Environmental Committee work.

We have Mike Nee from the committee staff and Jean Schrag from the committee staff. So if any of you have anything you want to get to the committee, we will certainly look forward to it, and you can catch one of them in the process.

The Subcommittee on Transportation, which I've been privileged to chair this year in Congress, has recently concluded a series of hearings in Washington on the Federal aid highway program. I realize that it is difficult and sometimes impossible for many of the area's State transportation officials and transportation groups to travel to Washington and present their views. The purpose of this hearing and the one we had yesterday in Denver and the one we will have Monday in Seattle is for those who live here in Idaho and the surrounding States to have the opportunity to describe the condition of our highways and to present your views on highway legislation now before the subcommittee.

You are all familiar with the highway needs in this country. The 5 percent of the country's Interstate System which remains to be completed will cost $54 billion. According to a Department of Transportation needs study, over 10 percent of the Nation's interstates need major rehabilitation immediately, and over 90 percent of the primary system in rural areas will need resurfacing in the next 15 years and 95 percent of the secondary systems will need reconstruction during the same 15-year period. And it will cost $33 billion to replace or rehabilitate all of the deficient bridges in the country. So one can see that the financial implications of highway construction and the deterioration are staggering.

At the same time there has been a decline in revenues coming into the highway trust fund. For the first time in 20 years, trust fund disbursements exceeded receipts in 1980. This will again occur in 1981.

While faced with a declining revenue in the highway trust fund, we are faced with major increases in the cost of highway construction. The first quarter results for 1981 show the Federal Highway Administration's composit index for highway construction costs at 160 percent of the 1977 base.

The last decade has seen an increase in the Federal environmental and construction standards with which State and local governments must comply. The Department of Transportation estimates it now takes an average of 9 years from the initial planning of a project to the beginning of construction work. Such delays obviously add tremendous costs to the construction and maintenance of highway systems.

I would like to briefly outline several issues which both our bill, S. 1024, and the administration's bill, S. 841, seek to address.

First, the 1981 interstate cost system shows the remaining cost to complete the Interstate System at $53.8 billion. Almost 95 percent of the system is now completed, and we are at the point where the remaining 5 percent will cost more than the initial 95 percent. I think many feel this in unacceptable when the existing system is in urgent need of major rehabilitation. We must reevaluate our needs and priorities in terms of the Interstate System and make adjustments reflecting the current situation.

Second, the Federal interest in the urban, secondary, and safety categories, needs to be reexamined. The administration's bill would end Federal participation in the safety categories immediately and in the urban and secondary systems after 1983. I am concerned that the States and localities may be unable to take the responsibility for these programs in such a short time. And I'll look forward to your testimony today as to how you feel about that particular issue.

In most of the Western States, the secondary system is a critical system of farm to market roads. States are experiencing their own economic difficulties and may have problems raising additional revenues.

Third, there has been a proliferation of small categorical grant programs targeted at specific problems. These programs have drained funds from the broad highway categories and have reduced the States' ability to set their own priorities and meet their own pressing needs.

Finally, if the Federal Government is going to ask the States to do more with less, I believe they must be given flexibility regarding the Federal standards and environmental requirements necessary to provide effective transportation service.

Both multiyear authorizations and program changes are necessary in the Federal-aid highway program in order to establish a national transportation policy which will enable the States to do long-range effective planning. This is absolutely necessary to prevent any further deterioration of the existing system.

I'm happy to be here and look forward to hearing from those of you that are going to be testifying. To those who are not testifying, if you wish to submit testimony, we certainly would welcome that also.

I might just say at the outset that there's been quite a difference of opinion between the Senate and the House. The chairman of the transportation subcommittee in the House, Jim Howard, an old friend of mine from New Jersey, wants a 1-year highway bill. We in the Senate are pushing for a longer term program so we can have time for planning. So I'll be interested to hear from those of you on that.

I might just say that our first witness is Mr. Darrell Manning. He's the director of the Idaho Transportation Department. Following will be Mr. Stone, the director of Nevada's Department of Transportation, then we'd like to have the statement from the State of Montana following Idaho and Nevada's. I don't think that the Montana people were able to make it this morning so we will put their statement in the record.

So, Darrell, welcome to the committee. We're glad to have you here, and please commence.

STATEMENT OF DARRELL V. MANNING, DIRECTOR, IDAHO TRANSPORTATION DEPARTMENT

Mr. MANNING. Mr. Chairman, for the record, my name is Darrell Manning, and I'm the director of the Idaho Transportation Department.

I have with me on this panel Dean Tisdale, the chief of management programs for the transportation department in Idaho, and Al Stone, who is the director of the Nevada Department of Transportation, and his deputy director, Garth Dahl.

So we are very honored to be here this morning and appear at the hearing and offer our views on transportation issues, particularly as they affect the transportation department of Idaho.

The American Association of State Highway and Transportation Officials closely represents our views in the long-term transportation issues. The following remarks are generally consistent with their proposed program. And I would like to summarize and paraphrase in order to try to stay within my 5-minute limitation.

The Idaho Transportation Department supports completion of all essential interstate gaps at the earliest possible time. We support efforts to redefine Interstate completion so as to transfer nonessential elements to the Interstate 4R program. Examples include weigh stations, landscaping, safety improvements on completed section. This action alone will reduce the cost of completion of the Interstate by about $17 billion, or 39 percent of the total cost.

Clarification of the definition for completion is urgently needed. However, funding should not be limited to the costs as contained in the 1981 Interstate cost estimates. We believe that funding should be based on a decision resulting from the final location and design hearings.

We support retention of the minimum one-half of 1-percent allocation to assure completion in those States which have received little or no additional interstate mileage since the inception of the program. Those States' share of interstate funding has been increasingly diluted by the addition of such mileage.

Idaho received about 1 percent of the total apportionment at the inception of the interstate program. Mileage additions would have progressively diluted that percentage to 0.385 percent without the minimum of one-half of 1-percent level. Even with that retention of the one-half of 1-percent level, completion of the Interstate System in our State will extend well into the mid-1990's.

The apportionment of interstate 3R and 4R funds, as a minimum, we recommend the Senate formula be based on the 60 percent lane miles and 40 percent vehicle miles of travel, although we are compromising considerably with other States on this point. We would prefer a better break for the lane miles and also to provide for a minimum of one-half of 1 percent in funding allocations.

We support category consolidation. We support retention of the urban and secondary programs and to retain a consolidated safety construction program, which allows the States the flexibility in selecting projects which will be performed under those programs.

And bridge replacement and bridge rehabilitation needs, we suggest the continuation of discretionary bridge funds and to exclude the discretionary funding from obligational limitations.

In Idaho we have four major bridges which will require about $58 million to build. We cannot build those projects without stopping everything if we received discretionary funds without increase in the obligational limitation. Se we strongly urge that consideration.

Two-thirds of Idaho is owned by the Federal Government. The annual national authorization for forest highway funds is $33 million. For the public lands highway funds, it is $16 million. Those funds have remained unchanged for over 20 years. Idaho's share of forest funds, for example, is less than $3.4 million. The inadequacy of such funding is indicated by the construction costs of over $1 million per mile of highway in mountainous terrain.

We think action is needed in Congress to change the funding level. Funding at both Federal and State level is inadequate to cope with the rate of pavement wear and deterioration in bridges, which are occurring on all of our systems.

In constant dollars, the highway construction program in Idaho has decreased by 30 percent since 1973. The Federal share has decreased at even a more rapid rate.

Highway user revenues should be indexed to keep pace with the economy and to offset reductions caused by inflation.

Legislation is needed to increase the authorization for primary and secondary and bridge replacement and repair programs to at least the 1981 authorization level, this being a deletion in the last year of the current bill, as you're familiar.

The need for a new highway bill this fall is urgent. Without an approved interstate cost estimate and revised definition, funding for that category will stop, and completion will be delayed even further.

We endorse a multiyear bill as proposed by the Senate and the administration. However, a viable option would be a shorter 2- or 3-year bill followed by a bill which incorporates a revenue increse and is for alonger duration.

Thank you, Mr. Chairman.

Senator SYMMS. Thank you very much, Darrell. I do have a few questions.

You said that the Department evaluates and supports the Senate formula based on a 60 percent lane mile and 40 percent vehicle mile, but you consider that a compromise. If you could have it the way you wanted it, how would you have it?

Mr. MANNING. We would propose to leave it the way it is.

Senator SYMMS. Which is?

Mr. MANNING. Seventy-five and 25.

Senator SYMMS. Seventy-five to twenty-five; OK.

Mr. MANNING. That may be unrealistic under the concept of the new bill. And I think maybe it should be adjusted in order to be fair to other States, those States with high populations and high vehicle travel.

Senator SYMMS. Now, I was interested in your first comment on the interstate completion that you could save the cost of completing it by 39 percent. That has a certain ring of appeal. Would you go through that for me just a little bit to make a better explanation of that.

Mr. MANNING. Yes; we are including in now, if you excluded such things as weigh stations and landscaping and safety improvements from the interstate estimate and put that on 4R and let the States do it when they will, then you would save that money for the completion estimate. Right now, if we rehabilitate a segment of interstate highway that has a four to one slope, side slope on the interstate, we must then come in and make a six to one slope in order to comply with Federal requirements to do the rehabilitation. We think that should not be done until after we have completed major gaps in the interstate.

It is not supported by the public. We get deep criticism for it, and yet we're required to do it by the Federal requirements.

Senator SYMMS. The public's telling you don't spend the money on highways and not on the side issues until you complete the highway.

Mr. MANNING. We are required to come up to new standards today even though we've had no accidents in those locations. And we think that it would be more prudent to put that money on gap completion.

Senator SYMMS. That makes sense. I agree with you.

You mentioned we have four major bridge problems.

The administration bill would shorten the bridge program to 2 years. What impact is that going to have? The availability of funds for bridges would make a big impact.

Mr. MANNING. I'm not sure which one you're talking about.

Senator SYMMS. The administration bill shortens the availability of funds to 2 years for bridges.

Mr. TISDALE. For urban and secondary.

Senator SYMMS. So that would have a negative impact on Idaho; is that correct?

Mr. MANNING. Yes. But we're not talking about that program in the testimony I gave on discretionary funding. That is only for large bridges over $10 million.

Mr. TISDALE. The program does get rid of the discretionary.

Mr. MANNING. The administration bill gets rid of the discretionary funding ultimately, as I understand it. We would like to see that retained. We think it's important nationally that it be retained, not only for Idaho, but for States that border the large rivers in the country.

Senator SYMMS. One other question. I'm interested in your viewpoint on the administration bill's transferring the responsibility for roads and trails on Government lands to the Department of the Interior.

Do you believe the Department of Transportation should retain that responsibility rather than the Department of the Interior?

Mr. MANNING. It is my belief that the Transportation Department is better able to technically handle the problems of roads than the Interior Department. I think you would have a duplication that would be created or an increased duplication that would be created if you geared up to handle that kind of a problem in another department.

Senator SYMMS. This came up yesterday. Our witnesses from Arizona, Colorado, New Mexico, and Wyoming said that they have problems when they go through Government lands. Are you running into the same problem here in Idaho?

Mr. MANNING. Yes. We have fairly good cooperation with our Interior subdivisions, but we do have problems anytime we go on public lands. We have a problem getting titles, a problem getting easements.

Senator SYMMS. In other words, you find out those so-called public lands aren't so public.

Mr. MANNING. They hold them very close to their chest.

Senator SYMMS. That's why I never refer to them as public lands. I always call them Government lands. I find that you can't call them Government lands. I find that you can't get on them part of the time.

I thank you very much for an excellent statement. We're delighted to hear from you.

Now we're going to hear from Mr. Stone from the Nevada Department of Transportation.

STATEMENT OF A. E. STONE, DIRECTOR, NEVADA DEPARTMENT OF TRANSPORTATION

Mr. STONE. Mr. Chairman, for the record, I'm Al Stone, director of the Nevada Department of Transportation. Gov. Robert List would have liked to have been with us today. But we have the top of our State on fire and the bottom is flooding away, and he's been very busy. But he did send his best wishes that the western hearing that you're conducting would have every success.

Nevada certainly supports any funding level which has a chance to control inflation. For the last 8 years inflation in highway construction in Nevada has averaged 17 percent per year. The State highway system alone in Nevada, which at today's dollars is worth over $10 billion, took us over 60 years to build. We feel that we must give every consideration to keep from losing what we've worked so long and hard for. And we certainly feel the section on 4R is a step in that direction.

As a bridge State, we provide and maintain routes from California, the breadbasket, to the rest of the Nation. And it's imperative that with our many miles, our low population, and our low taxing base, that we must seek help from the Federal Government for funds.

Nevada supports using the 1981 interstate cost estimate. We feel a four-lane design or a six-lane design predicated on population is unrealistic and that lane design should be based on traffic needs, with a maximum of eight lanes permitted.

We support the one-half percent minimum apportionment. Being a small State, we feel that this is absolutely necessary. In order to complete the Interstate System, it would be imperative that we not receive less than $20 million a year at today's dollars without protected from inflation, and then it would take us 13 years to complete the interstate in the estimate, 1981 interstate cost estimate.

We support the American Association of State Highway and Transportation Officials' position for using the redefined costs to complete through September 30, 1984, and an annual obligation plan thereafter.

Nevada supports the AASHTO position which provides a greater portion of funding for completion of the Interstate System through fiscal year 1986. We feel that a 1-year bill gives us very little option for planning for the future. S. 1024 proposed funding levels, coupled with inflation as it now exists, we feel would prolong the completion of the Interstate System.

Nevada would support the expansion of the 3R to a 4R program as outlined in S. 1024. Again, we agree with the one-half percent minimum apportionment. We feel that rather than just lane-miles and vehicle-miles as being addressed in the formula, some consideration should be given to the percent of trucks.

Interstate 80 in Nevada carries up to 42 percent trucks, all from California to the rest of the Nation. We feel that it's very strong and would suggest that again we compromise with the 60 percent lane-miles, which does give the small bridge States somewhat of a break. Not as much as the 75 as presently exists, but I feel that rather than traffic, some indications should be given to the equivalent 18 kip axle loading rather than to the traffic itself.

Nevada supports the authorization level of AASHTO as a more realistic level of funding. Nevada supports retaining the primary program as a separate category and repealing the priority primary program after fiscal year 1981.

Nevada supports retention of the bridge program as a separate category. Nevada believes you should retain the urban system program in its present form as a separate categorical system. We believe there are obvious merits to a Federal program that dictates consistency and uniform standards nationwide.

The existing system as designated is a valid and necessary program and would be difficult for our State to replace this funding if it's lost.

Nevada supports the existing system designation under a separate rural categorical program. We again believe there are merits in the consistency and uniform standard that would be provided under a Federal program.

The existing system as designated provides a valid and necessary program that is essential for bridge States such as Nevada.

We support AASHTO's position to provide for consolidated categorical safety programs. We would support continued financing with general funds as outlined in S. 1024 for the Appalachian Development Highway. We don't feel that that should be highway trust funds. It's a special program.

We support 100 percent transferability between primary, urban, and rural programs as outlined in S. 1024. Nevada supports AASHTO's position extending the trust fund indefinitely, especially with the 4R program, because at least on Nevada's system we're moving into a situation where we must maintain and operate the existing system rather than—there aren't funds to build new highways after completion of the Interstate System.

We go along with the provision for drawing down the balance of the trust fund, indexing the motor fuel tax to fight or to deal with inflation, increasing all other excise taxes to maintain the present proportion of revenues such as gas tax versus other tax.

Nevada believes that if the user benefits are considered in the system improvement or new construction, that mandated obligational authorities are unrealistic and are actually more inflationary than allowing full obligational authority for the authorized program funding.

At the very least, interstate discretionary money should not be limited under the existing obligation authority. If we are in a position, and we are, we have $70 million on the shelf to help complete the Interstate System in the lengths that we haven't completed on our system. But we feel that we need obligation authority to go along with this, or the rest of our total transportation program would suffer in the completion of this. Certainly this would provide for more rapid completion of the Interstate System for those States that have the ability to obligate funds and would result in maximum user benefits and less inflation.

Thank you, sir.

Senator SYMMS. Thank you. What's your time schedule if things go about as you hope to complete the entire interstate in Nevada?

Mr. STONE. Again, we're in a position to use interstate discretionary funds. And if we have the obligation authority to go with this, we would like to complete our entire system in the next 5 or 6 years. If we are limited to a funding level, even though protected by inflation for the interstate, new construction of $20 million a year, then it would take us 13 years or longer.

Senator SYMMS. How about Idaho?

Mr. MANNING. Same problem entirely. If we go as the program seems to be going, we'll be mid-1990 before we'll be completed.

If we get discretionary funding on the interstate, we could complete earlier if we could match it and would be able to complete considerably earlier, I would expect.

Senator SYMMS. Is the general sentiment in Nevada still in favor of raising the 55-mile-per-hour speed limit back to 70?

Mr. STONE. It sounds like a loaded question.

Senator SYMMS. Or do you have a position on that?

Mr. STONE. We have complete control of the speed limit in Nevada, and we're having no problem with it. We will meet all Federal regulations as far as the average speed, at least this year. It's going to be tougher next year when we have to have 60 percent of the cars driving 55 or less.

But we feel and we're working real hard with the increased enforcment or whatever we have to do to not get penalized, and we will accomplish this.

Mr. MANNING. We would support getting rid of the penalty.

Senator SYMMS. I would too. I'm disappointed to report to you that there aren't too many people on this committee that is in favor of raising it back to 70, which seems to me a more realistic figure for westerners at least, or State discretion anyway.

Mr. STONE. We feel very strongly that the speed limit in itself is a decision that should be made by the States and the local.

Senator SYMMS. I think we agree with you here in Idaho. I'd rather have it personally at 70 and then enforce it than I would have it at 55 and have the problem we have in all the Western States.

You mentioned the 4R program. What are your current needs in Nevada on the 4R program?

Mr. STONE. We went to our legislature this past session, this past spring. We have a backlog in our State of needed resurfacing and reconstruction of over $227 million. This is just to preserve the existing system.

Senator SYMMS. Two hundred twenty-seven million?

Mr. STONE. Yes.

Senator SYMMS. How does that compare with us?

Mr. MANNING. Our interstate need, rehabilitation?

Mr. STONE. No; this is all of our State highway system.

Mr. MANNING. All of your State highway system. Our State highway system, we have a backlog of rehabilitation needs of over $30 million annually for the next 10 years. So that's $300 million.

Mr. STONE. That compares very well. Ours is $29½ million over a 12-year period to catch up with the backlog so that we can cost effectively maintain the existing system we have.

Mr. MANNING. I would say we're in almost identical condition.

Senator SYMMS. Are you saying it has equal priority as interstate completion?

Mr. STONE. Absolutely.

Senator SYMMS. Either way. If the Federal participation ends in 1983, what would happen to Nevada's and Idaho's secondary system?

Mr. STONE. It would be very expensive to travel through Nevada. We'd have to put up tollgates if the State allows.

Mr. MANNING. Our secondary system would start to deteriorate, and the immediate effect would be an attempt to raid the funds for the rest of the State highway system in order to protect the secondary system. And we would then face a greater problem on the entire system. We may not be able to match Federal funds.

Senator SYMMS. You mention in your testimony that you favored increasing the Federal users fee on gasoline for the trust fund as long as the money is spent out of the trust fund.

Mr. STONE. That's true. As a bridge State, and I think this is one of the most important roles that the Federal Government has, is to protect the national system of highways. And when we send our 4 cents, for example, to Washington, the role of the Federal Government is to protect the system. And as a bridge State, we certainly can't afford to get 1 person for 1 buck back or whatever the ratio is because we're providing a system for the rest of the Nation that we can't afford by ourselves.

And, yes, we do need an increase. And we look very careful at any formula that changes because it has a tremendous impact on us.

Senator SYMMS. You pretty much agree with that?

Mr. MANNING. Yes; we agree with that.

Senator SYMMS. You don't have an energy development impact in Nevada, do you?

Mr. STONE. Not in the Department of Transportation. The only impact is reduction in the gas tax for gasohol.

Senator SYMMS. Do you have a gasohol exemption in Nevada?

Mr. STONE. Yes; it's very small, and it's just for the gasohol that is developed in Nevada itself. And it subtracts 1 cent per gallon from the States, our Department's share.

Senator SYMMS. We had a witness from Nebraska in Denver yesterday, and I asked him if he favored removing the exemption on gasohol. He did not. And of course, that didn't come as a great surprise.

Mr. STONE. The only thing I can say, if we somehow could utilize water to run our vehicles, our trucks, we would have to find a way to tax that. We just can't operate. Transportation is big business. We have to have a source of revenue to operate.

Senator SYMMS. I think the highway users fee has been a very fair tax, charging people who use the roads.

Mr. STONE. Absolutely.

Senator SYMMS. Anytime you make an exemption for road use, you start complicating the problem of trying to run the highway system and keep it in good shape.

Mr. STONE. I certainly agree with that.

Senator SYMMS. What environmental requirements and Federal design standards create the most problems? If there was one thing you'd like to get rid of, what would it be?

Mr. STONE. Probably—and again, Nevada is 87 percent Federal land—and even to get a material from a borrow pit source to construct a highway, we spend months, if not years making archeological surveys, historical surveys even on marginal locations that have been used for years and years of the source of material. We think the whole system should be realined, streamlined. Over the last 10 years I feel that maybe with the exception of inflation, the environmental procedures and regulations have cost the transportation industry more than any other factor.

Senator SYMMS. What about in Idaho, Darrell?

Mr. MANNING. If I had No. 1, I would remove the Section 4(F) requirement, which is a duplication and redundant requirement from NEPA requirements. I'd also commend to you the mandate review report that I chaired for the Nation identifying all of the—or not all of them, but a great number of the kinds of problems we have with regulation that increased the cost of the system.

Senator SYMMS. I have no more questions. I certainly appreciate both of you being here and certainly wish you well in solving the problems you have. I think that if we can get to the causes of the problems, then maybe we could find a solution. Hopefully, we will see some economic recovery in the near future, and that will alleviate some of our problems.

I know at the present time, I think we do have a very difficult problem. And you're certainly right out there in the front line. We want to assure the States out here that we want to have the best input we can have. So please feel free to contact us at any time and try to help us make those right decisions in Washington to fit the needs of the particular States.

Thank you very much.

Is Millard Reed here?

Mr. REED. Yes.

Senator SYMMS. If the rest of the witnesses would please forgive me, we'd like to ask Mr. Reed to testify now because he's scheduled to go on the same plane back to Nevada with Mr. Stone, and it will make it a lot more convenient if we can put him on the program right now.

STATEMENT OF MILLARD REED, ASSISTANT PUBLIC WORKS DIRECTOR, CITY OF RENO, NEV.

Mr. REED. Thank you, Senator and members of the committee. As you stated, I do have a free airplane ride with them, and I would rather not walk back. I want to speak from a local highway user.

Senator SYMMS. Do we have a copy of your testimony?

Mr. REED. No; as I indicated over the telephone, I would submit a copy at a later time.

Senator SYMMS. That's fine.

Mr. REED. I am speaking from a local entity. And for the record, my name is Millard Reed. I am assistant public works director, city engineer for the city of Reno. And we have worked with the Nevada Department of Transportation successfully over the last 10 years since I've been with them. And if we did not have their assistance and benefit, especially in the urban and primary system funding, the local entities would be in dire straits to maintain a good roadway system.

As Mr. Stone pointed out and the director from the State of Idaho, we have very similar situations where we have population centers very far apart. We support everything that the Nevada Department of Transportation has submitted to you, and we request that you seriously consider their recommendations to you. We feel that we must maintain the safety systems as you have presently been funding to the local entities through the State departments of transportation. We feel that this is very beneficial to the local entities.

And I think we need to—in one of your questions that you posed, we need to find a means to decrease the time of the EI procedure to prevent the inflation eroding the available funds for use in later periods. Currently we are going through an EIS procedure that has already taken approximately 18 months, and we anticipate an additional 18 months before we have an answer for a freeway system to be completed from the Interstate 80 system to our State capitol.

And I might mention that our State capitol is not presently connected to an interstate system or by and interstate system. So we feel that this should be given a prime consideration as well. I will conclude my statements and let the rest of the meeting go on.

Senator SYMMS. Thank you very much. I just had one question. And that is S. 1024 will change the urban system funding from 75-25 to 50-50. And will your State and locality be able to provide 50 percent of the matching funds?

Mr. REED. I cannot foresee that happening at all. If we were to end up coming up with additional funding, which is very difficult to meet presently, we could not support that proposed split.

Senator SYMMS. The problem is that the administration's bill that I think we're faced with, would completely do away with it.

Mr. REED. Yes; I realize that.

Senator SYMMS. But in other words, you feel very strongly you want 75-25?

Mr. REED. Yes. We would have to maintain that. The State of Nevada just this year has gone through a similar to California Proposition 13. Our funding has been cut back considerably. Just for the city of Reno's, as an example, operating budget, our capital funding, which consists usually of about 60 percent for street construction work, has been cut back this year alone by $7 million compared to last year's funding.

Senator SYMMS. OK. Thank you very much. I appreciate your coming up. Have a good flight back.

Mr. REED. Thank you.

Senator SYMMS. Our next panel is the Honorable Dave Little, chairman of the State senate finance committee, and the Honorable Dean Abrahams, chairman of the senate transportation committee. If our two Senators could come up, we'll hear from them.

I'm not going to be the one that selects which one of you goes first, Dave, so I'll leave that up to you.

Mr. LITTLE. Senator, I think you've already got that decided.

Senator SYMMS. You go first then.

STATEMENT OF HON. DAVID LITTLE, STATE SENATOR, IDAHO STATE SENATE

Mr. LITTLE. First, I want to thank you, Senator Symms, for having the hearing here in Boise. I could think of some other places like McCall or Coeur d'Alene or someplace that might be a little better at this time of year, and maybe some of the staff would get to see some of our highways too. But I also want to compliment Director Manning for his presentation. And I'd like to introduce two members of our legislative fiscal staff.

For the record, my name is David Little. I'm a State senator in the Idaho State Legislature from legislative district 9, and I'm chairman of the senate finance committee.

I'd like to introduce John Andreason, our director, and Jeff Youtz, our staff, that handles these transportation matters. They're both back here. And in case you get into a technical question, I want to excuse myself as a professional witness and call on them.

Senator SYMMS. Why don't they come up.

Mr. LITTLE. Over the years my experience on the budget setting committee has given me a first-hand look at the problems associated with financing Idaho's highway needs. For the most part, Idaho has met its responsibility for maintaining the huge capital investment which our highway system represents.

Four times in the past 10 years, Idaho has seen a need to raise highway user feel and taxes. These increases were a bitter pill to swallow, but the conditions of many roads left very little choice. On the other hand, the Federal motor fuels tax has not increased in over 10 years. My concern is for just how far States like Idaho can go in assuming more and more of the financial burden.

It is because of this concern that I support the treatment of specific programs like safety projects and the secondary system offered by Senate bill 1024 versus the eventual phase-out proposed by the administration bill.

I fee the Federal Government should continue to share the responsibility for financing highway needs, especially in the State of Idaho, where two-thirds of the land is federally owned. The Forest Service Highway and Public Land Highway funding allotments for Idaho should always be proportional to Federal landownership.

Another point I wish to emphasize from my standpoint on the Finance Committee is the difficulty in Federal and State budget cycles. The mismatched fiscal years by themselves present no great difficulty, but the release of Federal funds is another matter.

In the past, it seems as though the Office of Management and Budget has used highway funds as a broad economic tool. Freezing funds or unpredictably withholding and releasing of funds have made even short-term planning difficult. With our relatively short construction cycle, it becomes critical to have a dependable cash flow. Easing Office of Management and Budget's grip on highway funding would be helpful.

For the most part, I feel that Senate bill 1024 is the best tool for easing States into the administration's direction of a new federalism. The redefinition of interstate completion, the retention of minimum apportionment, and the program consolidations and multiyear aspects of this bill all contribute to an equitable definition of proper State and Federal cooperation. Flexibility will be the key for the State's ability to succeed in this partnership.

If there are no questions, I would like now to introduce Senator Dean Abrahams, who is chairman of our senate transportation committee.

Senator SYMMS. That would be fine. And then we might have some questions for the two of you together. Go ahead, please.

STATEMENT OF HON. A. DEAN ABRAHAMS, STATE SENATOR, IDAHO STATE SENATE

Mr. ABRAHAMS. Mr. Chairman and members of the committee. As you see, I am chairman of the senate transportation committee.

From Idaho's standpoint, I certainly stand behind any effort to hasten completion of our Interstate System. The redefinition of interstate completion and transfers of nonessential elements appear to be positive steps toward this goal. The gaps in our system, like the American Falls to Raft River section, are bottlenecks which are serious safety hazards.

I, too, am in support of retaining the one-half percent minimum allocation included in Senate bill 1024. Rural States like Idaho need the assurance that high-cost urban interstate projects will not dominate the available funds and thus delay indefinitely the completion of our Interstate System.

Rehabilitation needs in Idaho will be extremely important, since a great deal of our system is approaching the end of its design life. This comes at a time, unfortunately, when inflation has ballooned the cost of highway construction. Again, the one-half percent minimum guarantee for funds in this area is important.

Currently, the emphasis on lane miles over vehicle miles in determining apportionments benefits States such as Idaho. I would obviously prefer that the policy remain unchanged, but if a change is inevitable, the 60/40 formula in Senate bill 1024 is preferable over the administration's 50/50 proposal.

Category consolidations will be effective if the individual States can determine their own priorities. Idaho, for instance, because of its varied geography, has special needs in the area of safety projects. Rigid Federal guidelines could prevent us from correcting "high hazard areas" which are unique in our State.

It will be difficult for you gentlemen to define the proper levels of participation that the individual States and the Federal Government each share. In Idaho's case, there are some factors which should be considered.

For one thing, two-thirds of our State is owned by the Federal Government. Federal Government and relative funding should be proportional. The Federal Government's stewardship of our forests and other public lands should include a responsibility for highways which are impacted by this ownership.

I would also prefer to see the Federal Government continue to support the secondary system in Idaho. This system is an important cog in our State's economy and the Nation's as well, considering the importance of our agricultural and raw material contributions. I have serious concerns about Idaho's ability to assume the total financial responsibility for this system.

I feel that Senate bill 1024 offers individual States a better chance to succeed in the "New Federalism" as it relates to highway needs.

That ends our printed material at this time.

Senator SYMMS. Thank you very much, both of you, for an excellent contribution to our hearing record.

Mr. LITTLE. I might add, there is for the record testimony by Representative Sessions, chairman of the House highway committee. It is in the record. (See p. 553.)

Senator SYMMS. Without objection, his statement will be made a part of the record.

I think you both stated in your testimony that you favor a continuation of the Federal Trust Fund and the raising of the users fee that contributes to the Trust Fund. When do you recommend it, and at what point? Or did you say that?

Mr. LITTLE. Senator, I don't think we said raise it. But the fact is we have raised ours four times, and they haven't raised the Federal, and I think they should. I do believe that we should pay as we go.

Senator SYMMS. What is our gasoline tax here?

Mr. ABRAHAMS. Eleven and a half.

Mr. LITTLE. Eleven and a half versus four.

Senator SYMMS. I forgot to ask them from Nevada what it was. Does anybody here know what it was in Nevada? They left, I guess.

Mr. MANNING. It's 11 cents.

Senator SYMMS. Eleven cents in Nevada. So we're at eleven and a half. That's about average with the States that we've visited the last few days.

In view of the present situation, would you favor raising that user's fee now or spinning down the remaining balance first?

Mr. ABRAHAMS. I would prefer spinning down the remaining balance. We've hit our people pretty hard here.

Senator SYMMS. The Federal Trust Fund actually raised $1 billion in interest last year by lending money to other parts of the Government.

Mr. LITTLE. Senator, I didn't know that you were in the money lending business. I thought you were in the process of handing it out. I'm glad to hear that for the record.

Senator SYMMS. That's unfortunately the problem that they've had back there. They've handed out too much of it over the years, and there's not enough left now for some of the needs.

How much support do you want to give the Secretary of Transportation and the authority to review the remaining interstate gaps and demap those?

Mr. LITTLE. I don't know.

Senator SYMMS. That may be a question I should have asked Darrell Manning. Darrell, if you want to comment on that, it's not too late to put you back in the record.

Mr. MANNING. Mr. Chairman, the problem, in my view, starts with the additional mileage that was granted, about 2,000 miles granted mostly in the urban areas, very high cost areas.

Senator SYMMS. Was this mostly granted in the late sixties?

Mr. MANNING. Yes. And that extended the completion date and the costs considerably, and about 16 percent of the total completion cost lies in that 2,000 miles of the Interstate System. I think some of that should be reviewed because much of that money is being demapped by the local government and used as transfer money for public transportation. And that's just a means of getting money out of the highway fund for the public transportation system.

Senator SYMMS. I think that's an excellent point. At least you would favor having a cooperative effort anyway?

Mr. MANNING. Mr. Chairman, I believe that the Secretary of Transportation has the ability to make some of the judgments, but there should be an appeal process someplace. I don't think he should be the final word. I wouldn't think he would in the political process we have anyway. But it wouldn't bother me too much to have him make those decisions.

Senator SYMMS. Good. I thank you very much.

Now, Dave and Dean, are you aware of any safety projects that have not proven cost effective in Idaho?

Mr. LITTLE. I wouldn't know.

Senator SYMMS. We could call on our Secretary again.

Mr. YOUTZ. My name is Jeff Youtz. One of these areas in particular which hasn't proved cost effective for Idaho has been the emphasis on rail crossings. Idaho would prefer to emphasize other areas which we view as a priority. Rail crossings, while it's been a national priority, hasn't really fit into Idaho's priorities. So that would be one example.

Senator SYMMS. How about the pavement marking? Darrell, do you want to comment on that?

Mr. MANNING. Mr. Chairman, the pavement marking program has been a very cost-effective program, but sometimes there was more money in that category than we really needed. And at a point it would have been better for us to transfer out of that category into something that had a higher need.

Another area of low benefit is flattening slopes on existing interstates where we've had no accidents. Those kinds of areas, I think, should be looked at. And we would encourage the bill to allow transferability in the safety area so that we can place them on those areas that have the highest cost benefit.

Senator SYMMS. So you'd like to have the maximum ability of intercategory transfer?

Mr. MANNING. If you keep the multiple number of safety categories, then we would like to have the ability to transfer out to more cost-effective uses. And the same would be true for the entire gamut of categories within the highway funding system.

Senator SYMMS. Did you want to make any comments, Dave?

Mr. LITTLE. No; I don't have any more.

Senator SYMMS. I thank you both very much for your statements. And I thank you again, Mr. Director, Darrell Manning, for your contribution.

I believe the next witnesses are Paul Pusey and Harold Paulsen from the Montana Highway Users Association. Paul's from the Idaho Associated General Contractors. And Harold West, who is acting chairman of the Idaho Users Conference. So we'll have you come up as a pane, and then we'll have some questions for all of you.

Go right ahead, Paul.

STATEMENT OF PAUL PUSEY, ASSISTANT EXECUTIVE DIRECTOR, IDAHO BRANCH, ASSOCIATED GENERAL CONTRACTORS OF AMERICA

Mr. PUSEY. Mr. Chairman, members of the subcommittee, my name is Paul Pusey. I'm the assistant executive director of the Idaho branch of the Associated General Contractors representing nearly 500 construction and allied firms in Idaho. I'm substituting today here for executive director Joseph L. Kuebler, who is in San Francisco on other business.

Mr. Chairman, I am here to express AGC's appreciation for being provided the opportunity to address the subcommittee on the Nation's highway and transportation needs in the coming decade. It has traditionally been the forward-looking deliberations of this body which have made it the force it has been in building the world's best transportation system.

I would like also to commend you, Mr. Chairman, for continuing the dialog begun nearly 3 months ago on the size, shape, and scope of the Federal aid highway program. We hope, as does everyone else in this hearing room, that these deliberations will produce a solution to our Nation's highway and transportation ills which can be supported by all those empowered to preserve the massive investment in our Nation's roads and bridges.

We do not take our role in these proceedings lightly. Neither did we when we supported President Reagan's economic package. We felt then, as we do now, that when adopted in its entirety, it will restore economic growth and significantly reduce the devastating rate of inflation that plagues the Nation.

There is little disagreement on the general condition of the Nation's highways. They are in bad shape and getting worse. Yet the simplicity of that fact provides no handle by which the problem may be gripped. Generalities must give way to specifics if a plan of action is to be undertaken.

On the national level, the numbers, the needs, may be so great that they numb us rather than spur our efforts to preserve the investment in our highways.

In its January 1981 report to Congress entitled "The Status of the Nation's Highways: Conditions and Performance," the U.S. Department of Transportation accurately described the deteriorating condition of our most valuable national assets—our roads and bridges.

Some of these findings include:

The amount of the Interstate System needing immediate replacement doubled in the 3-year period from 1975–78.

There are approximately 57,000 deficient bridges on the Federal aid system alone; that number may exceed 150,000 when off-system bridges are included and the Federal Highway Administration makes its report to Congress this summer.

The problems get worse on a local level where it is suggested that 50 percent of our Nation's local streets are "structurally inadequate."

These significant existing highway and bridge needs and the inevitability of even greater needs, given past and current levels of capital investment by all levels of government in highways and bridges, are no different when recorded by nongovernmental groups.

For example, the American Transportation Advisory Council, a cooperative organization of private firms, associations, and individuals in which the AGC played a part, reported to Congress in April 1981, that reconstruction and rehabilitation of the Nation's highways and bridges constitutes the largest component in structuring an adequate response to the total highway needs problem.

Whether or not there are unmet highway and bridge needs is no longer the question. The questions are how much money will be needed, how will it be raised, and where will it be spent?

On the first, how much money is needed, there have been many strategies set forth each agreeing on more but differing on specific funding levels.

The U.S. DOT report offered two very different investment strategies. The first, a plan of capital investment designed to bring the Nation's roads and bridges into minimum compliance with safety needs and traffic demands. This would require a 15-year Federal commitment totaling $337 billion.

The second plan, which would put back enough in our highways to maintain conditions as they existed in 1978, would require only about half the commitment of the first. But any plan to standardize the conditions which existed in 1978 is a plan which ignores the decaying shape of the system I have already addressed.

We must then consider also the fact that the DOT presents only half the picture. The American Association of State Highway and Transportation Officials (AASHTO) has completed it, however, by assessing the States' levels of capital investment necessary to restore our highways.

In its "Program for America's Highways in the 1980's," the group has projected Federal participation levels similar to those in the DOT document, just over $20 billion per year, but AASHTO has also estimated the required funds for Federal-aid matching and estimated levels of non-Federal aid work which each State conducts. That new total estimate is about $40 billion per year. Yet, in 1980, it is estimated that all levels of government spent only $15 billion on capital improvements in highways.

The AGC believes there is much work to be done if we are to preserve the huge investment we have in our highway system, and if that system is to continue to contribute to a reindustrialized America. I would like to underscore the fact that this work cannot be done without adequate capital investment in highways, at the State, local, and Federal levels.

When the President's economic program is enacted in its entirety, it will produce beneficial effects in the economy and will spur capital investment in the private sector. That capital investment will create the infrastructure; the cement plants, the steel mills, and the foundries, that are necessary to support the needed increased capital investment by all levels of government in the Nation's public works, including our highways and bridge systems.

Plans must now be made for that increased capital investment. Consequently, AGC makes the following recommendations for implementation at the appropriate time consistent with our Nation's economic performance: One, the Highway Trust Fund be extended indefinitely. Two, the Federal motor fuel tax be increased and indexed to some measure of inflation. Three, the cash balance in the trust fund be reduced to the minimum level necessary for cash flow purposes.

We also recommend that the imposition of obligational ceilings be discontinued and when a fuel, any fuel which propels a vehicle over the highway, that fuel should also be taxed.

These recommendations mirror those contained in the position paper prepared by AASHTO and the findings contained in the report entitled "Total Transportation Financial Needs During the Next Decade (1981-1990)," as prepared by the American Transportation Advisory Council.

There are existing needs not now being met.

There are growing needs which must be met.

There is a capital investment and revenue shortfall, on all highway systems at all levels of government, which must be met.

There is a need to deal on a long-term basis with each. Our Nation's reliance, both economically and socially, on our highway system has shown that.

President Reagan recently said as much when he called our highways:

> A source of pride for this Nation (which) directly or indirectly affect and serve every American. Highways are our lifelines * * * providing us with food and other necessities, the opportunities to explore this vast, beautiful country and a great freedom of choice in selecting our home and work areas. Highways, have contributed significantly to employment, providing us with improved lifestyles and aided in our defense.

Thank you, Mr. Chairman.

Senator SYMMS. Thank you very much for an excellent statement. Let's hear from Mr. Paulsen, please.

STATEMENT OF HAROLD L. PAULSEN, SECRETARY, MONTANA HIGHWAY USERS FEDERATION

Mr. PAULSEN. For the record, I'm Harold Paulsen, secretary of the Montana Highway Users' Federation. I'm real happy to be here this morning and be able to participate in this panel, to see you again, Senator, and to bring greetings from your many friends in Montana and particularly in the Helena area.

This statement was written, as you notice, on the 7th and prepared by our chairman, and it was to be mailed to the Washington office. Then upon checking our schedule, I was to be here in Boise for 2 or 3 days of vacation, and I said I'd be very happy to come down here and not only read the statement, but to be able to hear and bring this input back to our federation as we sense the joint problem we have here in the West.

And as Mr. Havdahl pointed out, each State has their particular need.

My statement will be very short. We of the Montana Highway Users' Federation are concerned with the Federal highway program. As a rural State with vast mile of State and Federal highway and a small population and tax base to support, to construct and maintain the system, we are particularly vulnerable to changes in the philosophy of the Federal-aid highway system.

Montana is at long last close to the completion of the Interstate System within its borders. I believe we have some 90 miles yet to do, and we have approximately 1,100 miles completed. The remaining sections will be the most expensive of the system, and the cost comes at a time when both the Interstate System and the State system of primary and secondary roads must be diverted to the maintenance and repair of these roads.

It is imperative that Montana continue to have access to funds through the Federal highway program to complete and maintain its system of highways for the benefit of its citizens and the American consumers who depend upon our agricultural and livestock products.

The problem of completion and maintenance of the interstate, the primary and secondary road system has become more acute with the reduction of services provided by alternative means of transportation.

For instance, the single railroad serving Montana (Burlington Northern) has recently announced its intention to withdraw service to a vast number of branch lines serving the needs of our rural citizens. Airlines are physically and financially incapable of providing any replacement service, and the burden will fall on the Montana transport industry and thus on the State's highway system.

The prospect of Federal-aid funds being reduced or diverted to other programs such as mass transit ignore the geographic, demographic, and financial realities of Montana. We urge you and the Congress to recognize the needs of the West.

In this regard, we ask your consideration of these three following items, among others: (*a*) Continuation of the Federal-aid construction program; (*b*) recognition of the need to fund both a construction program for completion of the Interstate System and the four R's program; and resistance to the diversion of highway moneys for mass transit programs or other nonhighway uses.

Thank you very much for your consideration.

Senator SYMMS. Thank you for a very excellent statement. I appreciate that. Harold West.

STATEMENT OF HAROLD WEST, MEMBER, EXECUTIVE COMMITTEE, IDAHO HIGHWAY USERS CONFERENCE

Mr. WEST. Senator and chairman of the committee, I'm Harold West, member of the executive committee of the Highway Users Conference in Idaho, and I'm substituting for Gene Thomas, chairman of that conference, who is out of the country.

I'm not going to read the entire written statement that we have presented to you, but maybe highlight it a little bit. I would certainly call your attention to the fact that the highway users conference and the membership of that conference is probably one of the most diverse memberships that is represented at the hearing here today. And I certainly don't mean to imply that we always agree in our considerations about transportation needs. But we do agree, or the majority rules is the rule that we follow, and this is a conclusion of the majority of the Conference.

I think that we have considered transportaiton matters within the Conference many times within this past year, participated in a national conference just recently in Washington, D.C., and had an exchange of ideas between other States. And basically the Idaho group agreed to the following items in respect to the committee's interest to date:

One, that the trust fund balance which is committed to highway improvement should be spent down to the amount needed to operate on a cash flow basis.

Two, that we support the user fee concepts, and highway user fees should be equitably assessed among the classes of users and beneficiaries.

Three, that the Nation needs a predictable consistent highway funding program at a Federal level to assure that we are able to economically address our critical highway needs.

That the Federal Highway Trust Fund should be made permanent or at least long-term. The fund is an ideal program which creates no deficits and is thus not inflationary.

We support a continued Federal responsibility in the Interstate System as proposed in the 4R program. Most Western States have neglected their primary system in order to meet interstate demands, and they now need to direct attention to these roads with assurances that adequate funding is available.

The conference is opposed to diversion of Federal-aid highway funds to mass transit projects or other nonhighway purposes. We feel that the highway mobility and safety must be improved.

And I would like to refer particularly to the secondary road needs—and it's already been mentioned many times—the Federal ownership of land in Idaho. Right now the State of Idaho is in the throes of a harvest of our grain products. Mother Nature has blessed us, and we have an abundant crop. So we have used an example of the pressures on transportation, particularly on primary and secondary roads.

In our testimony here, last year, 1980, Idaho produced something like 154 million bushels of grain, which is wheat and barley put together. We have to transport that from the farms to warehouses and shipping locations, which is usually on a railhead or in a metropolitan area or close by interstate.

In order to do that in a 60-day period, it takes 3,850,000 what we call bobtail trucks or single-axle trucks to transport that amount of commodity just to railhead; 3,850,000 single-axle trucks. That means that one has to move or be unloaded every 15 seconds for the entire day during a 60-day period. I think this demonstrates to us the importance of being able to move over secondary and primary roads.

The other thing I'd like to point out is the amount of bridges that Idaho has, particularly on the secondary road system. Idaho is an irrigated State. All of our lands—most of our lands in the southern part of the State is irrigated from the Snake River or some other watershed, which requires thousands of miles of canals and ditches and flumes and so forth to transport the water out to the land. Every one of those has to be crossed by a bridge or a culvert or some means to cross for a road. This is in addition to all of the bridges that we have in Idaho just to drain the mountains and the streams and the runoff that normally occurs.

I think that what we're trying to say is that we're pointing out that we have an accelerated bridge problem in the State of Idaho and that we certainly encourage the continuation of the Federal funding of a good strong secondary road system.

Thank you.

Senator SYMMS. Thank you for a very excellent statement. I think one of the things you didn't point out in your statement is that the State of Idaho produces 85 percent of the U.S. needs of bean seed and 95 percent of the sweet corn seed and 50 percent of the onion seed. The secondary system and agricultural commodities in general become very important to the rest of the country if our roads deteriorate.

Mr. WEST. That's very true.

Senator SYMMS. I'll ask a question of the contractors. You folks have witnessed and undertaken a 20-percent average cost increase annually on highway construction over the last few years.

Do you think this is going to continue, or do you see a leveling off coming?

Mr. PUSEY. Senator, one aspect of increased costs in highway construction has to be and can be offset by continuity and consistency in the program. If we have a uniform level of contract construction on an annual basis, the contractors gear up for it, and they can maintain their work forces. Where you have a jerk and jolt kind of program with peaks and valleys, there's certainly a tremendous cost factor that has to be considered.

Senator SYMMS. So that's one of the reasons you favor the long-term bill?

Mr. PUSEY. Very definitely.

Senator SYMMS. Then is that another reason why you favor the discontinuation of the obligation ceilings so that those can fit the seasonal weather?

Mr. PUSEY. Very much so, because through the State department of transportation we feel they should have more discretionary authority in the utilization of funds to maintain a level of program. And as Mr. West has pointed out, we have put emphasis on availability of State funds to match the Federal money for the Interstate System and totally neglected—not totally, but neglected to a great deal our primary and secondary systems.

Senator SYMMS. We've already heard from Mr. Paulsen about the problem in Montana with the Burlington Northern. Do we have any similar situations in Idaho where there's rail service discontinuing?

Mr. WEST. We certainly do, Senator. There is a long list of abandonments listed by the Union Pacific Railroad system. And you're not unique in Montana to have just one rail system. The Union Pacific now has application before the Interstate Commerce Commission for the abandonment of many spur lines in Idaho. Typical would be at the movement is the line to McCall, again demonstrating the roads to service that area then has to go through Forest Service, Federal lands, again. The highways then, to take that extra traffic, is subjected to all of the problems we have getting through Federal lands.

Another example is Fairfield. That line is going to be abandoned. The line to Victor, from Victor and Driggs, is going to be abandoned. There are several spur lines east of Idaho Falls. The Ammon-Iona line is going to be abandoned.

So, yes, we have lots of demonstrations of abandonment by the railroad, one railroad system in southern Idaho.

Senator SYMMS. I think your statements pretty well state that what you want is a strong secondary road system. I hear you loud and clear, and I think the point is certainly well taken. Is there any comment that you'd like to make on the 4R program as opposed to the completion of the interstate?

Mr. WEST. Senator, I think that our stand in the Highway Users Conference has been for early completion of the present Interstate System. And I think Mr. Manning would have to answer how many miles that is.

Senator SYMMS. I basically agree with what Darrell Manning said earlier, that the problem is the urban parts of the interstate. I know that sounds parochial coming from the rural States, but I think that the reality is there. I'm scheduled to look at the century freeway project later this week. It's my understanding the administration has already made an agreement with the State of California on it, and they think they made a good agreement. The State of

California is so elated about the agreement that I'm somewhat concerned about it, frankly, knowing, I'm sure, that Ronald Reagan does love California.

I thank you all very much. It's very helpful testimony.

Just for the recora, Harold West, I understood that the chairman of the group, Gene Thomas, was in Brazil selling beans; is that correct?

Mr. WEST. That's correct, I hope.

Senator SYMMS. That's a good cause too.

Claude Abel and Larry Allsberry. Claude Abel, managing director of the Idaho Tranport Association. Larry Allsberry, chairman of the board, Garrett Freightlines. Welcome to the committee, both of you.

Claude, why don't you lead off with your statement, and then we'll hear from Larry and see if we have any questions.

STATEMENT OF CLAUDE E. ABEL, MANAGING DIRECTOR, IDAHO MOTOR TRANSPORT ASSOCIATION

Mr. ABEL. Thank you, Mr. Chairman, members of the committee. My name is Claude Abel. I'm managing director of the Idaho Motor Transport Association.

On behalf of the 400 member companies of the Idaho Motor Transport Association, we appreciate this opportunity to meet with your committee and present our comments regarding some of the committee's proposed highway programs.

I will be brief in order to eliminate duplication of others who have or will testify this morning.

The Idaho Motor Transport Association and American Trucking Associations are in agreement that completion of the presently designated interstate system is essential. We, too, recommend and support an accelerated program of resurfacing, restoring, rehabilitating and reconstructing the system, and continued Federal aid to the primary system.

We also encourage retention of Federal aid for the secondary road system as funding is available.

In order to help accomplish these priorities, we strongly urge opposition to diversion of highway funds to non-highway purposes.

Through the cooperation of the Idaho Highway Department and the Idaho Transportation Department, we have been a very progressive State in operation of more productive combinations of truck-tractors and trailers, all of which have proven safe, caused less highway deterioration, saved precious fuel and have been instrumental in keeping freight rates at a logical level. With the support of your committee, we hope to retain and improve on these qualities.

Finally, as we have always maintained and again reiterate, the motor carrier and bus industries are willing to pay their fair share of highway funding on the Federal and State level necessary to continue a sound, progressive essential program in line with demonstrated highway needs.

However, the funding method should be a system whereby everyone in our industry and all highway users pay their rightful share to support these highway programs.

Highways and trucks are the vital link between all points, not only in Idaho but the Nation. Support from all levels of government to assure that highways are maintained and that trucks be retained as the prime mover of all essential goods is imperative.

The interest and support of your committee in this important matter is greatly appreciated.

Thank you.

Senator SYMMS. Thank you very much. Larry.

STATEMENT OF LAWRENCE ALLSBERRY, CHAIRMAN, GARRETT FREIGHTLINES, INC.

Mr. ALLSBERRY. Mr. Chairman and members of the Transportation Subcommittee, my name is Lawrence M. Allsberry and I am the chairman of Garrett Freightlines of Pocatello, Idaho.

I appreciate the opportunity to appear before your committee to discuss our position relative to the highway legislation you are considering and I welcome the members and staff of the Transportation Subcommittee to our great State of Idaho.

I think it is worthwhile for our lawmakers to go out into the field and obtain first-hand information on the many problems facing our society and I commend you, Chairman Symms, for your efforts in scheduling these timely hearings on a major transportation issue, our Nation's highway system.

Mr. Chairman, as one who has seen our Nation's highway system expand over the past 40 years to accommodate the growing needs of our mobile society, I cannot stress enough the need to continue funding of our highway program at a level which protects the investment of approximately $400 billion spent on highways since the creation of the Highway Trust Fund in 1956.

I am justified in describing our Nation's Interstate Highway System as the finest in the world and as contributing mightily to the overall prosperity and growth of the Nation. If the more than 32.5 million trucks that haul goods and services in the United States suddenly disappeared, a surprising 65.8 percent of the Nation's communities—more than 80 percent in six States—would have no other transportation link with supply centers because they are without rail service and must rely on highway transportation.

I point this out, Mr. Chairman, because we are entering a new period in the relationship between government and business in which all programs of the Federal Government will be closely examined to determine whether they truly provide public benefits in any reasonable relationship to their costs.

This effort is long overdue and one which the trucking industry wholeheartedly supports. I am confident that in any such cost/benefit analysis, maintenance and completion of our highway system will be justified. We simply cannot allow this system to become obsolete or less than fully serviceable because of inadequate maintenance of a major nature or necessary reconstruction.

As I understand it, the program you are contemplating would set a pattern, for at least the immediate future, of Federal aid highway expenditures at a level supported by income into the Federal Highway Trust fund plus "drawdowns" from the present trust fund surplus.

This means the establishment of spending priorities. I support the legislation you are considering which places first priority on completion of the presently designated National System of Interstate Highways, followed by an accelerated program of resurfacing, restoring, rehabilitating, and reconstructing the system, then by continued Federal aid to the primary system.

I would encourage this subcommittee to not support the dropping of the Federal aid secondary system from the Federal aid highway program. The retention of this system within the Federal aid program is very important. This road system should continue to receive Federal support.

In my judgment, the highway systems of this country have been greatly underutilized from the standpoint of commercial vehicles.

Length is not controlled by Federal law. However, despite this and despite the fact the 65-foot length twin-trailer combination is universally operated in the West and has a record of great efficiency and safety, the industry is still not able to operate this combination in 17 States, and this is serious.

The nonrestrictive operation of the twin-trailer combination with the 65-foot length and 80,000-pound gross weight would result in a savings of approximately 150 million gallons of fuel annually.

My company's experience in Idaho and other Western States convinces me that there are many modern configurations of more productive vehicles that offer great potential for economic benefits to shippers, carriers, and the economy in general if they were more widely permitted on the various highway systems of the Nation.

Garrett Freightlines' experience in Idaho operating triple-trailer combinations since 1968 provides an excellent illustration of these benefits without compromising traffic safety. The results have been a 27-percent savings of fuel, better and more efficient service for shippers with increased productivity.

In the last 10 years in Idaho, Garrett has operated the triple-trailer combinations 10 million miles and saved 878,000 gallons of fuel, a major impact on the conservation of energy resources.

While I recognize that triples may not be viable on a national basis at this time, the State of Idaho is to be complimented for its progressive and forward-looking view on improving the efficiency of the State's trucking industry. Idaho has been one of the leaders in the Western region in allowing the operation of more productive combinations on designated routes.

With the success of the State's efforts and the neighboring States of Nevada, Utah, and Oregon in this regard, great savings in fuel and reduced trips have had beneficial effects upon traffic congestion and the efficient use of our highway systems.

For this reason we consider with alarm the threats to these operations posed by unwise and narrow restrictive Federal Highway Administration interpretations seeking to enforce State discontinuation of such operations on the Interstate System under grandfather permit rights.

The Federal Aid Highway Act of 1956, as amended in 1964, provided a grandfather clause that was specifically designed to protect weight limits in States where they were legally permissible in 1956, even though they might exceed the Federal limit. Some of these higher weight limits were allowed under special weight permits sections in the various State statutes.

We believe the language of the 1956 statute to be quite clear and this clarity was in no way disturbed by any later amendments. The Federal Highway Administration threatening to withhold or withholding part of the Federal highway funds from some States represents unwarranted and unjustified action to thwart legitimate technological advances to greater productivity in our industry. This is a prime example of unneeded and counterproductive Federal interference in the State's administration of the highway transportation system.

We need cooperative efforts to help determine more efficient systems to move the tremendous quantities of freight that are projected to be required by our Nation in the decades ahead.

What is needed most of all is a change in attitudes and historical biases. We need to act on factual information. Our highway systems exist as a renewable physical resource that should be constantly in use and systematically replenished. They exist for utility and service, much as any other tool. Past size and weight research and the preliminary results of the current Federal size and weight study indicate that there are overwhelming economic benefits on the side of reducing vehicle operating costs if the factors that affect truck productivity are recognized in appropriate axle, tandem and gross vehicle weight loadings.

The reality of this vehicle/highway equation should certainly encourage Congress and the administration to proceed as rapidly as possible with the improvement and maintenance of our top resource—our highways.

Thank you.

Senator SYMMS. Thank you very much for a very excellent statement.

Claude, in your statement you say:

> Finally, as we have always maintained and again reiterate, the motor carrier and bus industries are willing to pay their fair share of highway funding on the Federal and State level necessary to continue.

Are we doing that now?

Mr. ABEL. Some question has arisen in the last year or so that on the Federal level where trucks over 26,000 pounds are required to pay a scheduled fee, and the report came out that approximately 45,000 trucks evidently had evaded paying that fee. We feel that that evasion obviously detracts from the highway fund and puts the carriers who are paying in an adverse position.

Senator SYMMS. So what you're saying is, you want all of your competitors to pay equally?

Mr. ABEL. Not all of my competitors, but everyone in the trucking——

Senator SYMMS. I'm sure that Larry might comment on that. He'd like to have them all pay equally. I suppose Garrett's paid enough now that you have to pay it.

Mr. ALLSBERRY. And we're willing to pay it.

Senator SYMMS. I understand that. There has been some controversy over this question of cab space on a truck. There's been a difference of opinion on a 15-foot cab space. Is that a controversy that is being properly dealt with?

Mr. ABEL. Senator, I would defer to Mr. Allsberry inasmuch as they operate that type of equipment and are involved in it.

Mr. ALLSBERRY. That is a matter that, of course, it's being presented and supported very forcefully by just one element, and, of course, that's organized labor. From a practical standpoint, it is not justified. The present configuration of equipment has proven itself by the many millions of miles that it has operated, and it shouldn't have any limitations placed upon the present configurations just by one element, so to speak.

Senator SYMMS. You mentioned the problem of a posted weight on some bridges on secondary road systems. How much of a problem is that causing the trucking industry in this State? Is there a major bottleneck in the State of Idaho on that?

Mr. ALLSBERRY. Not right now. There's a few problems. In the case of our particular company, of course, we don't get out on the secondary highway to any great extent with the larger vehicles. And the smaller vehicles, we're able to respect the bridge limitations pretty effectively at the present time. The last major hurdle we had, of course, was the Hansen bridge between Twin Falls and Jerome. But, of course, that's been corrected with the construction of the new bridge.

But to my knowledge, there's no major bridge on the Interstate System or a highway that we use quite extensively that's causing the industry any problem at the present time. I think up in the north there might be some sections of the logging industry, but I'm not acquainted with them.

Senator SYMMS. Did you want to comment on that?

Mr. ABEL. We have had a few comments from some of our members who are little disturbed and concerned that they might arrive at a bridge that's been posted for a lesser weight than the previous trip that they made to that bridge. They feel there should be some kind of a notice perhaps sent out to the carriers or posted somewhere before you get to that bridge that you are now overweight or over the axle weight that they have put on it. But that's something we can work out with the Department of Transportation.

Mr. ALLSBERRY. In furtherance of that, Mr. Chairman, I would like to say in deference to what Mr. Abel said, I think the State highway department has done an excellent job in keeping us advised.

Senator SYMMS. In the State of Idaho?

Mr. ALLSBERRY. In the State of Idaho as to weight limitations on bridges and highways and so forth.

Senator SYMMS. How many States does Garrett Freightlines operate in?

Mr. ALLSBERRY. All of the Western States and as far East as Minnesota, Texas, and Louisiana.

Senator SYMMS. Is there any particular State that gives you more difficulty to work in than others? Or maybe you wouldn't care to comment on that.

Mr. ALLSBERRY. No. We have a good relationship with all of the States. We're a little concerned about this matter of not being able to operate the more efficient equipment in some of the Western

States, and that's where we have a great deal of concern on the part of the Federal Government telling such States as Wyoming and Montana and so forth, don't allow the more efficient equipment or we'll deny you the funds for construction and maintenance of the Interstate Systems.

Senator SYMMS. One thing I found about the whole highway program is that, generally speaking, the highway people in all the States are a pretty good bunch of people to work with, in general, all across the country, all the builders, users, and so forth. And I've certainly enjoyed it.

Mr. ALLSBERRY. I would certainly support that. I find that they're very knowledgeable people, and because of their knowledge, they won't let you go off with something that you can't justify. And I have no objection to that. I think that's good.

Senator SYMMS. Claude, you said in your written statement that there was a problem with the diversion of funds for environmental purposes up on the Lolo Pass on Highway 12. I wasn't aware of that. Could you bring me up to date?

Mr. ABEL. I hestitated to get into that it because of the fact that it is a very controversial highway. There are certain groups that would like to see the highway closed to all truck traffic. And I read various reports that the University of Idaho and certain groups are involved in taking the Department of Transportation of Idaho to court. Now, obviously, I would assume that there has got to be some diversion of funds to defend what the department of transportation feels is right in this case. Obviously, it's probably not a big amount, but it could be an expanding situation.

Senator SYMMS. So there's actually an effort—I wasn't aware of that. I'm glad you pointed that out. I'm glad I asked the question.

Mr. ABEL. Very serious move by certain elements to close the highway to truck traffic.

Senator SYMMS. How much truck traffic goes over that highway? That goes from Missoula to Lewiston; is that correct?

Mr. ABEL. Yes, that is correct. That is the main major route, of course, for grain coming out of Montana and North Dakota to the Port of Lewiston. This would have a very serious economic impact on the Port of Lewiston, obviously, if that should happen.

Senator SYMMS. What's the early reading that the attorneys give on this? Is it legally possible to block a Federal highway?

Mr. ABEL. Mr. Chairman, I would think that perhaps Director Manning, who, of course, is obviously very involved and quite close to the matter, could probably give you a little more detail of what the status is on that.

Senator SYMMS. I'll submit a question to him in writing about that. I'm very interest in that. I'm glad that these hearings are more beneficial than the people realize.

Mr. ABEL. That perhaps is a little bit off of the subject of what your committee meetings are about, but it does, obviously, pertain to the State of Idaho in a very serious—and interstate really because Montana and North Dakota coming into Idaho is interstate commerce.

Senator SYMMS. I think people on the committee already think I have a bias in favor of trucks. Maybe that's because of my background in the produce business. But I do understand the necessity of getting farm products to the market, and I am interested in knowing that.

One last question I want to ask you. There are current proposals before Congress to allow longer truck lengths. Do you favor that legislation?

Mr. ALLSBERRY. Yes. I suppose you're speaking to what Senator Cannon has proposed. My only concern is don't get to fooling around with the wording so that we lose that grandfather permission in the Western States where we can operate the more efficient equipment. And that always worries me when Congress gets to fooling around with the wording on something. And we could just drop that particular wording where we didn't retain those grandfather rights. And I would like to have this subcommittee kind of underscore the retention of those grandfather rights.

Senator SYMMS. In many parts of the country the piggyback use of trucks and rail combinations have been very helpful to the produce industry particularly. Is there any conflict there between lengthening truck lengths and piggybacking that you can foresee?

Mr. ALLSBERRY. No. There's a need for both. There's a need for the rail and a need for the piggyback concept. And of course, there's definitely a need for more efficient trucks, particularly as it has to do with conservation of energy. I'm convinced that we're got a real energy problem. And we do have a problem right now in the industry that the rail is really taken out in an adverse position against the trucking industry. And there's a need for both, and we can both operate very effectively within our own areas to the benefit of the United States without trying to promote legislation that would, in our particular case, prohibit the use of the more efficient trucks, or tax us unfairly. Or on the other side of the coin, the industry is certainly not going to support any legislation—they haven't, and I don't know of anything that's proposed for the future—to prohibit the use of piggybacks.

Senator SYMMS. Most of the time a piggyback is used for a short distance anyway, and usually it's in a situation where the triple trailers normally wouldn't be used on those roads anyway.

Mr. ALLSBERRY. There's going to be some truck movement because a railcar or a flatcar, carrying a trailer on a flatcar, you just can't get to a warehouse. But right now, and, of course, there's a terriffic increase in the use of the piggyback for the longer haul. And I think that trend will continue to grow for a period of time.

Senator SYMMS. One last question, and I'll let you both get away. Not directly affecting the highway bill, but in an indirect fashion, under the insurance provisions of the Motor Carrier Act that are now in effect, how is this affecting the small firms, Claude, that you deal with as far as their ability to get into the market and the way that it's been applied?

Mr. ABEL. It appears that, of course, some of the carriers are having perhaps a financial problem. They'll do all they can to cut down on insurance costs or their maintenance costs in order to keep their trucks operating. The standards that have been set as far as insurance is concerned, American Trucking Association and the regulated trucking industry feel that perhaps they are too low because of the aspects of accidents and whatnot and so on. But there are some cases where carriers are evading their insurance coverage and not covering their equipment like they should.

Senator SYMMS. But you favor what's in the provisions of the Motor Carrier Act, though?

Mr. ABEL. As a minimum, yes.

Senator SYMMS. Thank you both very much for a real contribution. I compliment you, Larry, on the amount of fuel that Garrett Freightlines has saved. That's a very impressive set of figures in 10 years' time on how much that amounts to.

Mr. ALLSBERRY. If we could just expand that a little bit, I could give you some more figures.

Senator SYMMS. Next we have Mr. W. D. Harris, general manager of the trucking management, Boise Cascade Corp.; Mr. John Day, general manager of Shoemaker Trucking; and Ben Havdahl, executive vice president of the Montana Motor Carriers Association.

Mr. Harris, please go right ahead.

STATEMENT OF W. D. HARRIS, GENERAL MANAGER-TRUCKING MANAGEMENT, BOISE CASCADE CORP.

Mr. HARRIS. For the record, my name is William D. Harris. I'm general manager of Boise Cascade's trucking operations.

Mr. Chairman, Boise Cascade Corp. appreciates the opportunity to appear and make a brief commentary on S. 1024. The costs and benefits of this legislation affect not only our ability to efficiently transport our products over the Nation's highway system, but our lives as citizens.

At the outset, we readily admit that we have no particular expertise or empirical data to support our opinions, observations or conclusions. However, during 1980 Boise Cascade expended $135 million on highway transportation. We are therefore quite concerned about the condition and costs of our total highway system.

We were specifically asked to comment on several elements of S. 1024.

One, completion of the Interstate System. Although not contained in the bill, unofficial reports have indicated that completion of the remaining 2,900 miles of the Interstate System will cost about $42 billion. Most assuredly, every mile of this proposed completion should be subjected to the most exacting cost-benefit analysis, and only those portions that clearly demonstrate a significant benefit over cost should be undertaken.

Rehabilitation needs of the existing Federal aid system. Our highway system must be maintained to the standard where it is safe and efficient. It is our understanding that the original interstate design criteria called for a 20-year useful life. The rehabilitation undertaken on any highway that failed to meet specified useful life criteria should be carefully analyzed and reengineered, if necessary, to preclude repetition of past failures.

We have no comment on category consolidation.

The bridge program. This should be viewed in the same light as highway rehabilitation. Some bridges built at the turn of the century are probably not worth the cost of rehabilitation. Standards should be created to make these determinations. We believe that some of the bridges are probably more for a local convenience than a transportation necessity.

No comment on Federal lands highways, and go to appropriate participation in secondary and urban safety programs.

Federal involvement in safety programs should be more than essential minimums. Over the years we have reviewed draft legislation on highway and truck safety issues that would have held the States as unwilling hostages to various Federal fund programs. The highway and transportation conditions of Idaho are not the same as New York. It makes little sense to suggest some arbitrary uniform safety standard. The rule should be where doubt or conflict exists, delegate the safety responsibility to the States.

As concluding observations, we would like to favorably comment on the fact that the proposed $8.1 billion expenditure is a reduction from the 1980 DOT projected forecast, and the expenditures are now more closely alined with projected income. We are aware that the $8.1 billion Federal high expenditure is only about 20 percent of the $41.6 billion that is required to build and maintain all Federal, State, and local highways during 1981.

Although we do not suggest that user fees in the form of fuel taxes be the sole source for all highway expenditures, we cannot help but observe that such a tax would amount to approximately 33 cents per gallon on all highway use fuel consumed. It does become obvious that more than one-half of the expenditures needed to fund our entire highway system comes from property tax, various forms of excise tax, bond issues and general fund appropriations.

We should all be aware of what it costs to maintain the world's finest highway network which is so vital to our economic system and way of life.

Thank you, Mr. Chairman.

Senator SYMMS. Thank you for a very excellent statement. John Day.

STATEMENT OF JOHN DAY, VICE PRESIDENT AND GENERAL MANAGER, SHOEMAKER TRUCKING CO.

Mr. DAY. Thank you, Mr. Chairman, for inviting me here. For the record, my name is John Day. I am general manager and vice president, Shoemaker Trucking Co., a Boise based irregular route common carrier.

I would like to preface my statement for a plea of understanding the present plight of the trucking industry. The highway system is the lifeline of our industry, but I ask you to please pay close attention to the financial condition of the trucking industry and certainly trucking companies such as ourselves, small, independent companies, when looking at increases in Federal highway and fuel use taxes.

I do feel we need Federal assistance to have all States conform to uniform length and weight minimums. Trucking companies such as ourselves are forced to either run excess miles to avoid low limit States or to carry lighter loads, thus not utilizing our equipment efficiently.

We move a great deal of product—approximately 1.5 million pounds—through States with low weight limits. And this is a monthly basis. Illinois and Arkansas now have nothing before their legislature to raise these restrictions. The lack of uniformity, reducing our payload some 4,000 pounds, costs our company 1.1 cents per mile on an average 2,000 mile haul. The bottom line, that costs us an estimated $13,000 a month.

The second cost factor is efficient utilization of equipment. If States would go to a 65-foot overall length, we would be able to utilize 45-foot vans with conventional tractors. We are presently operating under three separate length limits: Western States 65 feet, 55 feet in Connecticut, New York, New Jersey, Maryland, Delaware, West Virginia, Virginia, and Missouri. Missouri will go to 60 feet on September 28. The remaining States are operating on a 60-foot length maximum. And this is definitely restrictive and costly.

Our conventional tractors average 0.28 gallons per mile better than our cab-over engines, or short tractors. Assuming we ran all conventionals—we now operate 15 percent conventionals in our fleet—paid an average of $1.26 per gallon, based on our July fuel concumption, we would save $11,400 and approximately 9,000 gallons per month.

A problem that is more difficult to relate to direct cost is shippers' utilization of equipment. This is in reference to cubic capacity of equipment and our ability to supply equipment to meet this need for shippers whose products cubes. If all states went to a 65-foot length, we could uniformly pull 45-foot length trailers.

If, for example, a chemical shipper loads on 4-foot pallets utilizing a 45-foot van, this would allow him 11 pallets deep, or 2 pallets more than we can presently haul on our truck. Again, with the restrictions placed on us, this is costing the shipper more money per unit of product and returning less revenue to us because of lack of uniformity.

I have no direct suggestions as to how this subcommittee might assist the trucking industry in achieving uniformity, but it would greatly enhance the efficiency of our industry.

Senator SYMMS. Thank you very much for an excellent statement. I think you point out some of the reasons why Congress should act on a uniform truck length for the country, and I think it would be helpful.

Before we hear from Ben Havdahl, I want to recognize that you have with you Warren Hamon, who is the general counsel for the Western Highway Institute. Please go right ahead. It's a pleasure to have you both here.

STATEMENT OF BEN HAVDAHL, EXECUTIVE VICE PRESIDENT, MONTANA MOTOR TRANSPORT ASSOCIATION

Mr. HAVDAHL. I appreciate your concern also for the length of the written statement that was submitted, and I've taken a sharp pencil and cut it down to 5 minutes.

For the record, my name is Ben Havdahl. I'm the executive vice-president of the Montana Motor Transport Association, and I'm the chairman of the Western Trucking Association Executives Council, composed of our 15 Western States' trucking industry associations.

Members of the WTAEC, like my own Montana association, represent motor carriers of all sizes and types and their allied supplier companies throughout the western United States. Each member association of the WTAEC is also a member of the American Trucking Associations, our national association affiliate.

I am appearing today on behalf of the Western Highway Institute. WHI is the research arm of the motor carrier industry in the West. It was established in 1947 as a nonprofit organization to conduct research and provide expert counsel to the industry in such areas as highway engineering, operational characteristics of motor vehicles, taxation and licensing.

The western economy is heavily dependent today upon highway transportation and will even be more so in the future, as you have heard here from other witnesses. The freight transportation demands of tomorrow will require us to make the most efficient and productive use of our highways today.

In the West we have the technology to meet those increased freight transportation demands. That technology in the form of modern, more productive vehicle combinations is already in operation on western highways, proving its efficiency day in and day out.

But one thing that stands in the way of the fullest use of this modern equipment is the Federal truck size and weight laws. As chairman of the WTAEC, I respectfully urge an early change in the federal size and weight laws to remove arbitrary limits on productivity.

By more productive trucks, I mean vehicle combinations that are longer and operate at higher gross weights. Length and gross weight, together with width, are the factors that control truck productivity. The determine how much freight can be handled in one movement. And with the increasing freight demand, our choice is either to put more trucks on the highway or to make each truck more productive.

Length, gross weight and width do not affect the life of our highway pavements. Pavement life is affected by a number of factors, including axle weights and axle spacings. The axle weight limits of 20,000 pounds single axle and 34,000 pounds tandem axle and the use of Federal formula "B" assure the protection of pavement in our interstate and Federal aid primary highways. Our bridges are likewise properly protected by formula "B."

Despite these safeguards, current Federal law stifles truck productivity in two ways: One, through an arbitrary cap of 80,000 pounds gross weight; and two, through adverse interpretation of the grandfather clause by the Federal Highway Administration.

Greater gross weights can be safely accommodated under formula B through increased length and number of axles. And the use of formula B without a cap on gross weight was supported by the Department of Transportation when the Federal law was last amended. The 80,000 pound limit is purely an arbitrary limit and stifles productivity.

Currently many States in the West allow operation of longer combinations with gross weights higher than 80,000 pounds operating on the interstate highways by special permits issued under provisions of State law which were in effect on or before July 1, 1956, the grandfather date in the Federal law. Federal Highway Administration interpretations of the grandfather clause have challenged the issuance of permits for operations of these more productive trucks and have even refused to accept interpretations of State laws by several Attorneys General and by the Supreme Courts of the State of South Dakota and my own State of Montana.

Again, we feel needed productivity has been stifled under current Federal law for reasons unrelated to the protection of the Federal investment in our highways.

These current limits on truck productivity also reveal what changes the western motor carrier industry would welcome in the Federal law. Protection of the highways through current axle weight limits and formula B should be retained, but the arbitrary 80,000 pound gross weight cap should be lifted so that formula B may control gross weights.

If any vehicle combination length limits are to be added to the Federal law, they should be minimums only so that the Western States may continue to enjoy the productivity of longer combinations. And the grandfather clause should be retained and strengthened so that local and regional industries which rely on greater sizes and weights may have continued vitality.

I have mentioned that these more productive trucks are already in operation in Western States. That operational experience, as was detailed earlier by Garrett and others and also as detailed in the records of other motor carriers and State officials, together with the research and actual field testing of Western Highway Institute are summarized in the materials that I wish to submit for the record on behalf of WHI.

Senator SYMMS. Without objection, it will be part of our record.

Mr. HAVDAHL. Thank you, Senator. First is a narrated slide presentation entitled "Loads and Roads," which gives a technical explanation of how formula B allows longer combinations at higher gross weights.

Second, a computer study of the effect of four different truck combinations on four types of common bridges. It shows that more productive trucks have less impact on bridges than the common five-axle tractor-semitrailer.

Third, a study of WHI performed for the TRED Foundation on the western regional size and weight objectives. It is the most comprehensive study ever done on more productive trucks and covers their braking, stability, fuel economy, offtracking, handling, safety, and every aspect of technical performance.

Finally, a 22-minute film report on WHI testing entitled "More Productive Trucks," so you can see the actual work that has been done by WHI in this field.

Both research and experience support the use of more productive trucks. The West relies on them, and increasing freight demand requires them. Only a change in Federal law will allow their full use.

Thank you very much.

Senator SYMMS. Thank you for an excellent statement. Thank you for the addendum that you present to us. What we will do, rather than make that part of our record, we will includes them as part of our committee file. Because of the nature of that, it may be difficult to reprint those films. We will see that the committee staff and the other members of the committee get the opportunity to view that information.

You might be interested to know that 102-inch truck width has passed the Senate on a case-by-case, State-by-State basis, and it's now back over in the House. So your efforts might be well encouraged there.

Mr. HAVADAHL. Thank you.

Senator SYMMS. Mr. Harris, you fellows in Boise Cascade are trucking a lot of logs, I assume, do you have a problem with secondary bridges? You mentioned that many times you think the bridges are a convenience to a local community rather than a transportation need. Is there a major problem out here?

Mr. HARRIS. Mr. Chairman, most of our logging is done by contractor. We have very few company owned log trucks. But I'm not aware of any bridge problems in this area or over in the State of Oregon. I'm not aware of any.

Senator SYMMS. Would any of you want to comment generally on the interstate gaps in the Western States? You pretty much agree with the statement of Director Manning that the question isn't the gaps, but it may be something that was added to the system in 1968. Is there any disagreement to that?

Mr. HARRIS. No. I totally agree with his comments.

Each one should be analyzed to its cost-benefit relation.

Senator SYMMS. How about the fair share? John, I think you mentioned that applied to the trucking company on their profit-and-loss statements.

Mr. DAY. Each State has its own variation of taxing us, and the Federal highway use tax actually is an equitable tax in our condition. But the State of Idaho, so to speak, taxes us on a processed food product, and an exempt hauler may be competing with us now under the new ICC regulations in hauling exempt in and hauling processed out. And he may be able to avoid some of the taxes that we are paying on a State level.

Senator SYMMS. What would be an example of an exempt hauler?

Mr. DAY. Under the ICC regulations now, an exempt hauler can haul a light commodity and processed food out of a plant that he hauls into. So somebody who's basically an independent, who has no rights, he can haul into that plant.

Senator SYMMS. Give me an example of what that would be.

Mr. DAY. Raw potatoes in and frozen potatoes out. And we do haul some exempt commodities. But we are basically a regulated carrier. We have operating rights in 48 States for frozen foods, and we pay our fair share tax. And I feel that there are some people that we are competing with who avoid those through basic loopholes.

Senator SYMMS. In your statement, you talked about the fact that Connecticut, New York, New Jersey, Maryland, Delaware, West Virginia, and Virginia have 55-foot lengths. The rest are 60, and the Western States generally are 65.

Mr. DAY. Yes.

Senator SYMMS. I'm thinking about what your answer is to the inevitable question that comes up from people, say, from Pennsylvania who think there's too many trucks and that they're too long already on the Pennsylvania Turnpike?

Mr. DAY. I don't feel that if they go another 10 feet, so to speak——

Senator SYMMS. Be less trucks?

Mr. DAY. Well, we would have a small percentage fewer trucks. Yes, there would be less trucks. The actual 10-foot difference would be of great assistance to us, and I doubt that the people that complain about this would notice it.

Senator SYMMS. But you say you get a fourth of a gallon per mile better with the standard truck than you do with the cab-over?

Mr. DAY. Yes.

Senator SYMMS. If that's the case, that improves your efficiency. I'm trying to think of the devil's advocate argument. I happen to think of the devil's advocate argument. I happen to support the legislation that would correct this. But the chairman of our committee, for example, Chairman Stafford from Vermont, doesn't quite share my viewpoint on trucks and how many of them there ought to be on the highway.

If we allow the trucks to be more efficient, are we going to end up with more or less trucks on the highway?

Mr. DAY. We will end up with less trucks on the highway.

Mr. HAMON. Senator, may I ask this? Warren Hamon from Western Highway Institute.

Senator SYMMS. Well, I think it would be cheaper to ship by truck than train, and we'd have more trucks on the highway.

Mr. HAMON. I think there's possibly another way to look at this. We have goods that have to be moved, and we would have to do it in the most efficient manner possible. And the question then becomes, what is the most efficient manner? And the doubles combination in this particular instance that you are talking about may achieve less miles per gallon than a typical tractor-semitrailer combination. But they can haul more gools. And over a total amount of goods hauled, they can haul more goods. And over a total amount of goods hauled, they are more efficient.

So maybe on a one truck to one truck basis, you may not have that efficiency apparent. But when you have to haul an amount of goods, then the efficiency does show up.

And I believe that the legislation that is currently considering uniform minimum lengths throughout the Nation is limited to interstate and Federal aid primary systems which are constructed with enough lanes so that these combinations do not become a problem in traffic.

Mr. DAY. Basically my answer is that if you have *x* number of goods to move and you can move it more efficiently, you will use fewer pieces of equipment. Given the present tonnage that we're shipping today, if we were allowed to run longer lengths, there would be fewer trucks on the road.

Senator SYMMS. I agree with you. I recall one day when I was over in the House, I was called on by one of the leaders of the Teamsters Union who was opposed to bigger trucks at that time because he wanted more drivers. And I said, "If you want to solve that problem, then we should give everybody one sack of potatoes and put a backpack on them and head them for California, and everybody would have a job."

So I think you're certainly on the right track, and for the consumer ultimately it's helpful. I think from a realistic standpoint, I think we have to come up with an answer; as a Senator from the West, how do I argue with a Senator from Massachusetts where you've got an old city like Boston, when you get to the market with it, can they get around into the market areas? If their city promoters of their town have got a good marketplace where the trucks can get in and out, then the answer, of course, is yes. If they haven't, sometimes that becomes a traffic congestion in those cities, and we have to answer that question, too.

Mr. **Day**. A cab-over is more maneuverable than a convention. That's a valid argument.

Senator **Symms**. Are there any other comments any of you wish to make before we let you go? I thank you all very much.

Is Oscar Field or John Hatch here from the farm bureau? Mr. Roy Holman, president of the Utah-Idaho Farmers Union, and Gordon Tate from the Idaho State Grange. Welcome, all of you, to the committee.

Go ahead, John.

STATEMENT OF JOHN HATCH, DIRECTOR, PUBLIC AFFAIRS, IDAHO FARM BUREAU, ACCOMPANIED BY ANDY ANDERSON, ASSISTANT DIRECTOR

Mr. **Hatch**. Chairman Symms, for the record, my name is John Hatch. I'm director of public affairs for the Idaho Farm Bureau. I have with me Andy Anderson, who is the assistant director of public affairs. We will be making a statement on behalf of Oscar Field, the president of the Idaho Farm Bureau, on behalf of the Idaho Farm Bureau.

We would have liked to have had Oscar here himself, and he would liked to have been here. Unfortunately, he is just returning probably sometime today from a series of out-of-State trips. And he does send you his warm regards and would have like to have been here personally. So I will have Andy read Oscar's statement on behalf of Oscar for the Idaho Farm Bureau.

Senator **Symms**. Thank you. Please go right ahead.

Mr. **Anderson**. Thank you, Senator. I will be reading this statement prepared by Mr. Field.

"My name is Oscar Field, president of the Idaho Farm Bureau Federation. Farm Bureau is a private, nonprofit general farm organization representing approximately 23,000 member families in Idaho.

"I would like to thank you for the opportunity of testifying before you today.

"As an agricultural State, the highways are of great importance to us as they are our primary means of moving our produce to market. We are especially concerned with the condition of our secondary roads or the so-called farm-to-market roads. If these roads are not maintained, then agriculture, which is the No. 1 industry in the State of Idaho, suffers. In turn, this causes problems throughout the whole economy of the State.

"Hand in hand with the secondary road system is the amount of bridges in the State that are in need of repair. There are many roads in the State that cannot be utilized to their full potential because the bridges on them are in very poor condition. If the bridge system in Idaho, which is very extensive, fails, this will effectively render our road system useless and immobilize the agricultural community.

"We are pleased to see that S. 1024, introduced by Senator Symms along with other members of this committee, gives the States more time to prepare for the transfer of responsibility for the secondary road systems. We also support the grouping, or consolidation of categorical grants and allowing the State the discretion of spending money in what they see as the most critical areas within these categories. We hear from our highway department and road districts that there are many rules and regulations imposed by the Federal Government that greatly add to the cost of road construction and repair.

"We would like to request that this committee take a serious look at these rules and regulations to see if they can be trimmed, or at least given some discretionary power to local administration for enforcing them.

"There are a couple of areas that we feel this committee should also give some consideration. They are the forest highway fund and the public lands highway fund. As Idaho has the dubious honor of having two-thirds of the State's land mass owned by the Federal Government, these two funds become quite important to Idaho's agricultural community as many of them are isolated in this federally-owned land and the farm-to-market, or secondary roads, pass through this Federal land.

"These two funds have been at the same level for the past 20 years. The amount of money that is in these two funds for all roads on Forest Service lands and other Government-owned lands was enough to build approximately 60 miles of road nationwide.

"As Idaho has more wilderness than any of the other contiguous 48 States, and almost every day we hear of some new proposal for some other set-aside of public lands that draw people from other parts of the country who use these roads, we would respectfully request you review these two funds carefully, with these things in mind.

"The Idaho Farm Bureau has gone on record as being in support of the President's economic recovery plan. We feel that this is essential to the well-being of the country as a whole. We also applaud the efforts of gentlemen such as yourselves who are making the effort to fine-tune this process, to allow the States to have input and to give them a little time to prepare for the changes that are being made.

"In conclusion, we believe that an efficient highway system on an Interstate, primary, and secondary level are of utmost importance to Idaho and the agricultural industry within the State."

Thank you for the opportunity to testify here today, and we would like you to know we support you and your colleagues in your efforts to streamline the Federal Government.

Senator SYMMS. Thank you very much. I appreciate that very direct statement.

Gordon Tate from the Idaho State Grange. Please go ahead.

STATEMENT OF GORDON TATE, MASTER, IDAHO STATE GRANGE

Mr. TATE. For the record, I am Gordon Tate, master of the Idaho State Grange.

Chairman Senator Symms, I would like to thank you for bringing this hearing to Boise so that concerned citizens and organizations will be able to state their views.

I would like to make some general comments along with the statement that we are submitting. These are based partially on the summary of the draft bill as submitted by Drew Lewis, Secretary of Transportation.

We do recognize the need to complete sections of the Interstate in Idaho, both for safety reasons and to avoid congestion, such as on Interstate 90 in north Idaho. However, some proposed sections such as along Coeur d'Alene Lake should be reevaluated to see if such massive expenditures might be reduced by alternate routes. The proposals to review the segments not actually started could result in considerable savings.

A complete overhaul and elimination of much of the so-called beautification work could also save millions, including funds used for buying out and removing local signboards.

In traveling throughout the country, we see many places where past construction cannot be justified by present or future traffic. Some years ago we traveled a stretch of Interstate and met only one car in 70 miles. A reevaluation to take out some of the pork barrel construction jobs is certainly in order.

Bridge design and construction also needs to be reevaluated to give States more flexibility. We are constantly reminded by the Idaho Transportation Department at State legislative hearings of the high cost of some types of required construction which are not needed or desirable in our State. In some cases this only involves such things as changes in overlay standards. There is presently a controversial bridge to be replaced on the present freeway construction at Caldwell. Another example is the hanging bridge near Hope in north Idaho that stood for some 10 or 15 years being used and then had to be widened when the road was finally built because of changes in design standards.

The Grange would like to emphasize the need for secondary rural roads in Idaho and want them to be included in any plan adopted. Distances are great, the population density low, and State funds are often inadequate. Building or improvement of many of these roads is essential to the development of new areas which contribute to the economy of the country as a whole.

This is similar to the development value provided by the Bureau of Reclamation projects for the Western States and in turn for the whole United States.

We would like to see more local input through separate local location and design hearings. Perhaps we could avoid some of the destruction of productive land caused by past and present highway construction. We have attended location hearings where there was almost total opposition to a proposed rerouting, and yet those plans were approved by the State and Federal authorities.

In comparing the two bills, we find much in favor of Senate bill 1024, such as:

One, extension of the Federal aid rural program under section 113;

Two, more liberal demapping of the Interstate System;

Three, Federal lands highways program under section 117;

Four, funds for planning and construction where nontaxable Federal or Indian lands are provided.

I would like to add that under title 2, Highway Safety, we thoroughly approve of the emphasis on alcohol and other direct causes of accidents. We approve the elimination of separate funding for speed limit enforcement. The Federal-55-mile-per-hour speed limit should be abolished and this determination turned over to the States. Distances, road types and conditions, amount of traffic, and other variable conditions should be used by the State to determine speed limits in various areas.

In conclusion, we believe that substantial savings can be made in the Interstate program by liberalizing bridge and primary and secondary road specifications. These funds should be made available for rural secondary road construction and maintenance.

Thank you, Senator Symms.

[An attachment to Mr. Tate's statement follows:]

STATEMENT FOR HIGHWAY HEARING

Senate Transportation Subcommittee
of the Senate Environment and
Public Works Committee
4204 Dirksen Senate Office Building
Washington, D.C. 20510

Hearings on S1024 and S841
Boise, Idaho
August 15, 1981

Gordon Tate, Master
Idaho State Grange

Comments on Freeways:

Surely a total re-evaluation needed-

1. Direct cause of our fuel shortages. It has put all America on the road. Made truck operations possible-taken this from the railroads, where fuel efficiency was many times greater.
2. It probably took more land out of production than any other single construction job. On our old home place in Wyoming, they moved the road from the old location along the section line, and put it through the center of the cropland, taking about 400 feet and making access or crossing very difficult. The old route would have been every bit as good, would have taken much less additional land, and would not have literally destroyed dozens of farms in that area.
3. To top it off, the four-lane superhighway was not needed to accomodate the travel and (probably) never would be needed. It was built just because Wyoming was entitled to that much of these pork-barrel funds.
4. Consider the Coeur d' Alene - Wolf Lodge road (I-90 or U.S.10). There has been for many years a four-lane road along the lake which carries a pretty heavy volume of traffic, but does it well. For some unknown reason they left a short section of two-lane connector when they built the new freeway at Wolf Lodge. The four-lane bridge across Blue Creek has been built for many years, but they are just now widening this short stretch to four lanes.

   Now they insist they must build a whole new Interstate from Coeur d' Alene to Wolf Lodge. Several location hearings have been held, on widening the present location along the lake, moving it halfway up the hill and wiping out a great many valuable view homes, or putting it over the top of the hill, creating two long fuel-consuming grades.

   In spite of a preponderance of local sentiment to leave it along the lake, the view property route has been chosen.

   The truth is that another lane on the present location would be adequate, and could have been built for the same money that has been spent on surveys and hearings. Remember, two lanes have carried all this travel for about two miles all this time, and still do!
5. Some years ago there was a well-attended hearing in Coeur d' Alene about methods of getting public input on highway location. There were a lot of plans formulated and discussed. Some hearings have been held, but generally the public input has been disregarded.

   In addition to the example just cited, Highway 95 is being rebuilt south of Coeur d' Alene. While public sentiment at what hearings there were (no real location hearing on part of it) favored following the present route, they are deviating from much of this, and plan a new four-lane road where the local people want to save the land and just add passing lanes on the present road.
6. Highway legislation should provide that local people would not only be heard, but receive some real consideration - it is their land, their needs - and they are the ones who use it most, and will be most affected by it.

7. Freeway construction and repair should be changed to a cost-effective, workable, practical basis rather than just a spending operation. One section of I-84 between Boise and Mountain Home was resurfaced last winter. They built an expensive detour just to do this, and it resulted in so many accidents that an extra patrolman had to be put on to respond to the many accidents. The whole project was one of total disregard of actual needs. They partially justified the new road as providing access-but for what? Sagebrush and rattlesnakes don't need roads.
8. The funds saved by these changes should be used for secondary roads, hopefully in the states where they are saved.

Primary Road Program:

1. We largely agree with the proposals, but must take exception to the statement that these roads are in good condition. A trip over Highway 55 from Boise to Horseshoe Bend, Cascade and McCall would soon convince you. The Horseshoe Bend hill, 7.4 miles of winding, tortorous, narrow, rough grade is a disgrace to the state of Idaho.
2. On a recent trip on an ordinary weekend going north, we met 127 cars, campers, trucks and trailers on the 23 miles to Horseshoe Bend, 292 cars to Banks (40 miles) and there must have been many, many more than that going north. Some of our primary roads are in bad shape and do need rebuilding and repair.
3. We would hope that in "eliminating the priority primary program" the state of Idaho will avoid such expenditures as the recent construction of 1.6 miles for $3.6 million at the top of the new Lewiston grade on U. S. 95.

Secondary Roads:

Secondary roads should be continued in any highway construction legislation.

1. In sparsely-populated states like Idaho there is not enough local revenues to build adequate roads over the required distances.
2. Building"farm to market"roads often open up a whole new area for production and benefit the economy at all levels.
3. They often shorten distances and save large amounts of fuel. There is a proposed short-cut north of Grangeville on U.S. 95 that would shorten the distance by seven miles, and could save about 150,000 gallons of fuel annually, according to highway department figures.
4. Improvement of these roads also saves wear on equipment and driving time.
5. The secondary roads provide public access for public as well as private lands, for hunting, fishing and all other forms of recreation or other needs.

Bridge Program:

1. We suggest more flexibility in bridge design and repair specification. Some of the present requirements do not fit Idaho conditions and create unnecessary expense and delay.
2. Possibly a lower level than $10 million would be desirable in the special bridge program but the reference to a state's annual apportionment may help in Idaho, where we have relatively low highway budgets.

Title II - Highway safety:

1. We thoroughly approve of the emphasis on alcohol and other direct causes of accidents.
2. We approve the elimination of separate funding for speed limit enforcement. The federal 55 mile per hour speed limit should be abolished, and this determination turned over to the states. Distances, road types and conditions, amount of traffic and other variable conditions s should be used by the state to determine speed limits in various areas.

Senator SYMMS. Thank you very much for a very excellent statement.

You mentioned the beautification program. There presently is a bill before the Congress to repeal the Federal billboard control law and leave that to each State. Do you favor that?

Mr. TATE. Yes.

Senator SYMMS. If that is done, do you favor requiring that if States condemn private property along a federally funded road, where signs have been, that they require compensation in that bill? The principle of compensation I'm speaking of.

Mr. TATE. Not really. I realize that this has been a very controversial issue, the whole signboard removal program. So in fact, I've been personally involved in a little bit of it, even though it's not an interstate project. But I do not favor the expending of large amounts of Federal funds in any type of beautification program as its been used in the past, including these funds for taking out signboards and paying for the——

Senator SYMMS. Just as a note of my background, my uncle was commissioner of the Idaho Highway Department at the time the highway beautification act passed the Congress in the late sixties, 1966 through 1970, along in there, and he made the comment at the time that that was going to cause an enormous problem. Now we're confronted with it in the Congress because there is also, I think, a principle of private property involved here.

If in the name of beautification of the highways the Federal Government or the State government, for that matter, decides to do away with a billboard, what about compensation to the person who owns the property and uses that means for making a living?

Mr. TATE. Do you want me to make some personal comments and observations on that?

Senator SYMMS. I'd be interested in your input on it, yes. I think we have a witness coming up that may have something to say about it.

Mr. TATE. We have had quite a number of these billboards and signs on our own place. They were taken down by the highway department. We were offered a rather miserly compensation for the billboards, and it was so small that we didn't even consider it. We just forgot about it. And of course, we had a loss. What we were getting wasn't much, about $100 a year, from these various signs along our place.

Personally, I'm of the opinion that as you come into towns, especially those sparsely populated areas, it's nice to see what places you might find to have your car repaired or a place to stay for the night and this type of thing. And I think if it's properly handled, then I believe it could be much more properly handed under the State than under the Federal.

Senator SYMMS. I happen to agree with you on the value of the signs, and I think the Idaho Highway Department is to be commended on how well marked the roads in Idaho are. I've had the opportunity to drive across the country several times and also to drive around the Washington area, and many of the roads are very poorly marked. You don't know how far it is to the next town, or just a very poor sign system.

If they do away with all the commercial signs, it's very difficult for the driver that's not familiar with the area to know where he is unless he has a good map with him. So I think there is some value on the other side of it.

John and Andy, you mentioned that you were in favor of getting rid of regulations and rules. But generally, do you have any specific ones you wanted to get rid of, or do you generally agree with what the Idaho Highway Department testified to?

Mr. ANDERSON. We feel that the highway department is in a much better position to give you an idea of what exact rules and regulations. And we've had Mr. Manning and others from the highway department talk to our organization, and they've told us that they have specific examples where they can feel that money can be saved. And I think we would just second what the State highway department has said in that area.

Senator SYMMS. With respect to the Government lands that you've both mentioned, I'll just ask, do you favor having the DOT be the lead agency or transferring some of those responsibilities to Interior and Agriculture, whichever the case would be?

Maybe you'd prefer not to comment. Maybe some of you would prefer to take the Idaho position.

Mr. HATCH. There's no way we could have a formal position. But I don't think I really have too much trouble in my own mind speaking for the Idaho Farm Bureau on this. I would definitely favor DOT retaining responsibility. If either of the bills—and I know yours doesn't have it in it. But if the administration bill has that provision in it to transfer it to Interior, I'm sure we would want that provision taken out in any final legislation.

I'm afraid we wouldn't have very many roads for very long if Interior got a hold of them.

Senator SYMMS. Do you agree with that, Gordon?

Mr. TATE. Yes; I agree.

Senator SYMMS. Thank you all very much. I appreciate your contribution to the committee.

We have our last panel, Martin Peterson, executive director of the Association of Idaho Cities, and Mr. Ed Anson from Wallace, Idaho, and Mr. Mike MacGowan, Boise Outdoor Advertising.

And I see Darrell Manning has stayed with us all day. And I know that my staff has talked to you, Darrell. But would you want to comment to save yourself needing to write a letter for our record on the question about the lawsuit up on highway 12, or would you prefer not to comment on it?

Mr. MANNING. I can do.

Senator SYMMS. If you'd like to come up here right now and comment on it for a brief moment while these gentlemen are getting seated at the table, I'd be glad to have that done unless you'd prefer to write a letter on it to bring me up to date on it. Then you won't have to bother with the letter. I think it's mostly for my own information.

Mr. MANNING. Mr. Chairman, it is quite a complex issue. Perhaps it would be better to have a written comment on it rather than a verbal one. But I'd be glad to do either.

Senator SYMMS. That would be fine. Why don't we go ahead, as Sam has pointed out, and just write us a letter about it. And I want to also thank you for being with us today to help us out for technical questions that have come up.

Martin, are you ready? Go ahead.

STATEMENT OF MARTIN I. PETERSON, EXECUTIVE DIRECTOR, ASSOCIATION OF IDAHO CITIES

Mr. **Peterson**. Thank you, Mr. Chairman. For the record, I'm Marty Peterson, executive director of the Association of Idaho Cities. Our association represents the 198 incorporated cities in Idaho, and my testimony today will address the concerns of Idaho's cities relative to Federal highway programs.

First of all, I would like to thank you, Mr. Chairman, for providing us with the opportunity to come before you today. These are times of extreme fiscal constraint for many of our local governments in Idaho, and it is nearly impossible for representatives of most of our cities to travel to Washington and provide testimony on many subjects that you're dealing with.

And by your coming to Boise today it has enabled us with an opportunity to express some of our concerns. So we thank you for that.

Senator **Symms**. You're welcome.

Mr. **Peterson**. I will limit my testimony today to the Federal aid for the urban road system. There are other systems, such as aid to the secondary system, completion of the Interstate System in Idaho and funding of the bridge program, which are of interest to many of our cities. But the singlemost important item that I want to address today is Federal aid for the urban road system.

This year Idaho will receive approximately $3 million for urban road funding. Nineteen Idaho cities qualify for funding under the urban program. The smallest of those eligible cities is Payette with a population of 5,437. The largest is Boise with a population of 102,125. Geographically they cover all corners of the State.

This funding comes at a time when most Idaho cities have been cutting back and in many instances eliminating programs and services at the local level due to lack of adequate revenues. Since 1978 the property tax portion of city budgets has been relatively stagnant with little opportunity for growth.

The local share of State highway revenues has also been on the downswing, although we are hopeful that that trend will reverse itself in coming months due to recent actions taken by the Idaho Legislature.

During that same period, since 1978, those funding problems have been compounded by other factors such as inflation. For example, the cost of both hot asphalt mix and concrete, both important elements in local road construction, have gone up better than 50 percent during that period.

Given the problems that our cities are facing with respect to revenues and inflation, it is easy to understand why we became rather concerned about early proposals coming out of Washington which would have ultimately eliminated the Federal urban aid program. Although only 1 in 10 Idaho cities is eligible to participate in that program, it is an extremely important one which has been used to assist cities in numerous major street construction projects which either wouldn't have been constructed without Federal aid or would have been constructed at a substantial additional expense to the local property taxpayer.

Senate bill 1024 takes care of many of our initial concerns about attempts to eliminate the urban aid program. We believe that it more realistically addresses most of the Nation's highway transportation problems than does Senate bill 841.

There are, however, some recommendations which we would like to make concerning the urban aid portion of Senate bill 1024.

The first and most obvious concerns that we continue to have is one of funding. While Senate bill 1024 is a substantial improvement over Senate bill 841 in this respect, we would like to strongly urge you to give serious consideration to the funding authorization figures which have been proposed by the National Governors Association and the American Association of State Highway Transportation Officials.

These figures call for a fiscal 1984 funding level of $1.22 billion and an annual authorization increase of roughly 10 percent per year for each of the 4 following years.

Another concern we have is with the local matching portion. We recommended that the Federal share for the urban projects portion of the act and also for the secondary program remain at 75 percent rather than the proposed 50 percent. Even at the present 75 percent matching level, only about a third of the Federal highway funds generated in urban aid eligible cities are actually returned to those cities.

In closing, Mr. Chairman, I would like to once again thank you for giving me the opportunity to testify. And also, I would like to thank your staff for the excellent assistance that they have provided many of us who came before you today to testify. And finally, I would like to express the appreciation of Idaho's cities for your efforts to assure the continuance of Federal highway funding for both the State and local units of government in Idaho.

Thank you.

Senator SYMMS. Thank you very much. I appreciate your statement, and I would join you in thanking our good staff for their efforts to make this possible. We will continue to work with your association, as we'd like to be able to do.

Now, Ed Anson.

STATEMENT OF EDWARD J. ANSON

Mr. ANSON. Thank you, Senator Symms and members of the subcommittee. I've prepared a rather lengthy statement which I do not propose to read. And perhaps it would be advantageous just to submit oral comments.

Senator SYMMS. Your entire statement will be printed in the record, so you don't have to worry about reading it. If you want to summarize it, that's fine.

Mr. ANSON. Thank you very much, Senator. Perhaps as a point of departure, I shoud give you something of my background. I'm not here today representing any entities. I'm here really as a citizen of a small town which happens to be at a site of a gap in the Interstate Highway System.

The issue that I would like to address is the completion of the interstate highway system from the perspective of someone who has been involved in the initial decisionmaking process in terms of testimony, as more or less a veteran of the initial phase of the system. It's appeared to me that there are various areas of problems in the decisionmaking process as it exists today. And while I would not be in position to give any blanket across the board analysis of whether the entire system should be completed or not completed, I think it might be helpful to articulate a few areas of problems.

One area would be in the general policy of the interstate highway system. The general purpose of the system was for defense and transportation needs. I would submit that those needs have not been substantially fulfilled today.

In analyzing the completion of the reamining portions, however, the relevant Highway Departments, Federal Highway Administration and State Departments, view a congressional mandate to complete the system. Thus the analysis as to whether or not a gap should be completed is made within the framework that there is presently congressional mandate to complete the system.

The areas of local concerns that concern the people who live in the areas and concern their environment are considered in the relevant statutes and the procedures. However, absent extraordinary circumstances, these concerns will be outweighed by the needs of completing the system.

The policy today is to study all adverse impacts, to analyze how they can be minimized or how they can be engineered around. But in the final analysis, the system would be completed.

Now, the philosophy—and it appears to be a philosophy of basically building the system for the sake of building the system—was certainly rational 25 years ago when the system was commenced. Today, though, we're dealing with areas of perhaps 5 percent of the total that are gaps. And these gaps are generally areas of one extreme difficulty in design and construction and two areas of low priority in traffic volumes. I would submit that the philosophy and policies that are applicable when the program first commenced back in 1956 are not strictly applicable to whether or not these remaining gaps should be completed.

This decisionmaking process is often made through all relevant stages by highway departments. If the initial analysis is not done by a highway department itself, they often retain consulting firms who are inevitably highway designing firms or engineering firms. What you end up having basically is highway builders hiring other highway builders to determine whether a highway should be built. There is an inherent unfairness in this at least from the viewpoint of the local population.

Further, your consulting firms often may end up being the engineering firms for the project.

The major problem perhaps in this area would be in the review after basically your highway builders determine that something should be built. And it seems rare that a highway department determines that a highway should not be built. Any judicial review is generally on the capricious or arbitrary or capricious standard. This in itself is a standard of judicial review.

But as the process evolves, there is an inherent bias, I would submit, that is never addressed, never independently addressed.

The second to the last area of problem that I've perceived is in design standards. My framework, where I'm talking, is again from Wallace, Idaho. And I know you've been to Wallace, and you are familiar with the small mountain valley we have there and the problems of designing any highway that would not effectively destroy the community.

An interstate highway is more than just a road from one place to another. It has various standards, some mandated by Congress, most by the Secretary of Transportation. In analyzing the Wallace project and in analyzing any project, it appears that the standard is that there cannot be variances from full design standards absent a congressional variance for the particular project. What you end up having to happen, in effect, is that sometimes rather extraordinary full interstate standard designs are considered where other designs which would not be a full standard, but would be rational, cost effective, and safe, are precluded from any consideration just because they do not meet the full design standard.

And of course, the inevitable certainly happens where you'd have perhaps the most reasonable alinements never considered.

The last point that I would like to make in terms of problems would be in the cost and maintenance. While the first 41,000 miles of the system certainly cost a good deal of money—what I've read is $78 billion—these last few miles are going to be extremely expensive.

At the same time, we're faced with this extreme expense for completion of the system, we have a situation where the highway system itself, the portions that are completed, are deteriorating, deteriorating apparently somewhat rapidly.

What I would submit, an area that should be addressed, is a balancing or analysis between updated or improved maintenance and whether maintenance costs should supersede funding for capital construction.

I close my written comments with a few recommendations, and briefly I would summarize them as follows:

One, that the decision to complete a portion of the highway should be made on a section-by-section basis. And it probably would not be inadvisable to decide across the board that either it shouldn't be completed or it should be completed.

Two, I would submit it would be very helpful if language were drafted clarifying what the congressional intent is. Again, often you're faced with the situation where a gap would be completed merely for the purpose of completing the system. Perhaps a congressional intent stated that the system could be completed, but only upon a balancing of traffic volumes and the needs of defense and transportation versus the adverse impacts. A statement of intent along those lines, I think, would be helpful.

With regard to the decisionmaking process, I think it would be helpful if some perhaps cross departmental review were made of the build-no-build decision. In my written preparation I suggest that the Department of Transportation proceed with the initial analysis, make the initial alinement determinations. But if there is a local population that feels a need for review, instead of judicial review, perhaps review to another department, perhaps the Department of the Interior would be helpful.

Four, when considering completion of the interstate system, these last few gaps, I would submit, should not be mandatorily made at full standards, that we're dealing probably with the most difficult areas left. In a large sense, I think that's true and that for these exceptional areas the full standards should not be applicable.

These standards were necessary in 1956 when we started the program. But now with so little left to complete, we're really in a fine tuning position, and perhaps certain areas should have exceptions that do not necessitate an individual act of Congress.

And last, again with regard to cost, I think any new construction costs should be balanced or should be compared to the benefits from improved maintenance. And the decision of whether a gap should be completed should be measured against whether those funds would be better spent in maintenance.

Those would be my comments, Senator. and I believe my written statement is somewhat more articulate than that.

Senator SYMMS. Thank you very much. I'll have a question or two to ask you as soon as we complete. Let's hear from Mike MacGowan.

STATEMENT OF MICHAEL MacGOWAN, PRESIDENT AND GENERAL MANAGER, BOISE OUTDOOR ADVERTISING, INC.

Mr. MACGOWAN. Mr. Chairman, members of the staff, my name is Mike MacGowan, for the record. And I'm president and general manager of Boise Outdoor Advertising, Inc. And we're doing business here in Idaho in the Treasure Valley from Mountain Home to the Oregon border.

My partners and I acquired the Cosgriff Co. in December of last year and have a substantial investment in this market area. Our company has been and will continue to be an integral part of this local economy.

Idaho has been a leader in implementing the Highway Beautification Act of 1965. As of the end of 1980, 78 percent, or 1,275, legal nonconforming signs have been acquired and 92 percent, or 2,249, illegal signs have been removed from Idaho highways. One hundred and ninety-three legal nonconforming signs are left to be acquired.

Our people and the standardized outdoor advertising industry have supported the Highway Beautification Act from its conception and continue to do so. One facet of this legislation that has made the act livable is the requirement that just compensation must be paid for signs removed or taken by the Government. My sole purpose in being here is to insure that just compensation continues to be a requirement.

It has recently come to my attention that Senator Stafford introduced a new bill, S. 1548, Billboard Deregulation Act of 1981. It is apparent from the Senator's remarks that part of his intentions are to remove just compensation from the Highway Beautification Act and for State and local governments to use police power to remove signs.

I strongly believe in the need for more Federal deregulation in all businesses and would support this act, particularly if the Highway Beautification Act is not going to be funded. But it must not be passed on the premise that States and local governments should continue to remove nonconforming signs without compensation.

Thank you for your attention.

Senator SYMMS. Thank you very much. I have just two or three questions I want to get at. I guess I'll start back with you, Mr. Peterson. How effective has the metropolitan planning organizations been?

Mr. PETERSON. I assume, Senator, that you are talking about organizations such as the Ada Planning Association, that type of thing?

Senator SYMMS. Yes.

Mr. PETERSON. I think that there have been varying degrees of success in the State. And I think a lot of that has had to do with the commitment of the individual local officials and the citizenry in the areas in which they are located. And also, I think an important thing to keep in mind is that those planning organizations in many instances encompass a wide variety of planning activities that may run the gamut from economic development planning to transportation planning to health care planning, and in some instances they may be strong and in other instances somewhat weak. So I would hesitate to generalize.

Senator SYMMS. What's going to happen if those funds are removed? Anything serious as you see it from the Idaho Cities Association?

Mr. PETERSON. Senator, in some instances, yes. I think that in the instances where we're going to have the most substantial gaps, I think we've already lost the funding. And I go into areas such as the HUD 701 program, which is for general planning. That is probably the singlemost useful categorical program that the Congress has ever come up with in the area of planning, and it is not being refunded. However, we are hopeful that with the administration's community development block grant program, which will fold in all of those former HUD categorical programs and pass that money on to the States, we have been working very closely with the State of Idaho on that, and we are hopeful that many of the planning activities that used to be funded out of those other Federal categorical programs can now be taken over and funded under the block grant programs that the States are going to be handling.

Senator SYMMS. What about the 1978 amendments to the Highway Beautification Act? Before that happened, municipalities were allowed to control signs through their own local zoning ordinances and provide compensation through amortization and a slower payout. Do you believe municipalities should again have this ability, or should they be required to pay only monetary compensation? I think it's a question that we're going to have to face with the Stafford bill right away.

Mr. PETERSON. Senator, the problem as I see it from a city standpoint, with any modifications of the Highway Beautification Act, if there is any attempt made to place the entire compensation on the local units of government in Idaho, I think by and large with the exception of some isolated instances, Ketchum, Sun Valley, some places like that, that have alternative means of gathering revenue, I am afraid that you're going to find that those local governmental entities in exercising their options are probably going to decide that that funding or that type of program is of such a low priority that they will opt to probably not get into compensation programs because they don't have the funding to do it.

Senator SYMMS. Thank you very much. Now, Mike, you mentioned the problem that you foresee with the Stafford bill for your own particular situation here, and I think it's true all over the country. The detractors of your position are arguing, that what they're saying is that the Highway Beautification Act puts the sign owner who is compensated under eminent domain and State police power, that many feel these changes place the sign owner in a preferred position from the current value rule from which other property owners are compensated. What's your answer to that charge?

Mr. MACGOWAN. Preferred value rule.

Senator SYMMS. You get a more preferred position. I find it rather difficult to take somebody's property away from them and not pay them for it.

Mr. MACGOWAN. That's my feeling exactly. Amortization to me is just a slow death. I'm afraid I can't follow your statement there, preferred rule.

Senator SYMMS. The tradition has been that you're paid if your property is taken for current value. Now, is that the case with a sign? That's what I'm getting at.

Mr. MACGOWAN. Current value. I think most of the compensation has been worked out on that basis, as a current value, if I understand the question correctly.

Senator SYMMS. What I'm getting at, the State highway department can go out and condemn a farmer's property and take it and pay, and they have to settle in court if they're not satisfied with the agreement that the State highway department makes. Then they have to go to court and fight it out. Why should the sign owner be any different? That's the question I'm trying to ask you.

Mr. MACGOWAN. I'm not sure that there should be a difference but I think the sign owner should have the same right.

Senator SYMMS. I think the question that is going to have to be addressed with the Stafford bill is that under the Highway Beautification Act that you've operated under for the last 15 years, whether that was right or wrong, it's already passed and it's on the books, and you're complying with it.

Presently the outdoor advertising industry's learned how to live with it. If the Stafford bill becomes law and police power is handed over to the States, then I guess the question is, Should the Federal Government keep the compensation as is now done to the Highway Beautification Act? That's what you'd like to do?

Mr. MACGOWAN. Sure.

Senator SYMMS. There may be differences of opinion from other parts of the economy, I suppose. But do you think that puts you in a different situation?

Mr. MACGOWAN. I don't know that we could be——

Senator SYMMS. Maybe you don't quite see what's being pushed in Washington.

Mr. MacGowan. I just got this Wednesday, and I haven't had a great deal of opportunity to——

Senator Symms. I'll discuss it with you further because I'm interested in your viewpoint on this, and it's troubled me somewhat. I haven't really made a firm conclusion. I have a philosophical belief that somebody should be compensated if they're condemned, and I also believe in States rights. And that's what the Stafford bill does.

I think we do have a conflict coming here that we're going to need some input on.

Ed, I want to ask you one just as a personal opinion. I take it from your testimony that you say that if the freeway is to be completed and that 1.7-mile gap is to be completed in Wallace, lower the standards and build a road that doesn't take up too much space up there where space is very dear?

Mr. Anson. That would be completely true, Senator.

Senator Symms. What do you actually recommend?

Mr. Anson. In terms of whether that portion should be completed or not, it would appear that with the traffic volumes, probably something should be completed through Wallace. The traffic and geographic setting in terms of being in a transportation corridor dictate some form of highway there.

So the initial analysis would be, I think, yes, something should be built. But due to the very narrow confines of the area, I don't think something in terms of full interstate standards is compatible with the area. The valley is just too small to coexist with a full standard interstate highway. There are various nonhighway options that were raised at various times in the proceedings and ultimately were precluded from any analysis.

Senator Symms. Do you not agree then with the proposed plan?

Mr. Anson. No, I do not agree with the present alinement plan.

Senator Symms. But you do agree with some plan?

Mr. Anson. I agree that there is a necessity or a need to improve the present situation, which is routing traffic through downtown Wallace. I think that situation justifies improvement. The present alinement plan is for a four-lane elevated highway banked upon what is known as the north hill side going over part of our historic buildings, our railroad depot, with interchange configurations that take up, I think, far too much space.

So I would think the solution would be in something less than full standard alinement, whether that is partial interchanges or slower design speeds or something at grade or even a two-lane alinement.

But I think the problem, Senator, is not which less than standard alinement would have been the best alternative, but the fact that they were not even considered and studied. And that to me is a major problem.

Senator Symms. Thank you very much. Did you want to make one more comment, Martin?

Mr. Peterson. No, thank you, Senator. I was taking a note down on your comments on Senator Stafford's bill, and I will send you some follow-up written information on it.

Senator Symms. Before we adjourn the meeting, the staff advised me we've requested written comments which will be submitted later concerning Highway 95.

We've gone through our 20 some witnesses that were scheduled. Before I adjourn the meeting until next week in Seattle where we will continue our hearings, was there anyone here that wished to testify that did not get to? If not, the meeting—yes, sir.

Mr. Klatt. Senator, could I make just a brief oral statement?

Senator Symms. Yes, please do. Would you identify yourself for our reporter.

STATEMENT OF ROBERT KLATT, CHAIRMAN, BOARD OF COMMISSIONERS, BONNER COUNTY

Mr. Klatt. My name is Robert Klatt. I'm chairman of the board of commissioners of Bonner County. And in regard to Highway 95 and the State primary system, I'm speaking also for Bill Curry, who is the chairman of the commissioners of Boundary County.

We strongly support any legislation that can be passed to improve the funding for those highways. And as has been stated in regard to the protection of the public's investment in highways generally, I would like to add the same situation exists with respect to county roads.

We're one of the counties in Idaho that maintain a road system. As you know, there are road districts and county maintained systems. We're one—and Boundary County also—that maintain the county road system as a function of the county government. We're presently destroying marginally paved roads because of the fact we cannot afford to repave them and maintain them properly.

So there is a degradation of roads taking place while needs for improved roads are greatly increasing.

We don't feel that it's wise to be first spending the money for highway improvement when the expense that it creates the users is far greater than the money saved.

So with those things in mind, those subjects have been covered, and I strongly support them. I don't know to what extent the proposed legislation will address secondary roads and county roads. But to whatever extent that it would, I'd strongly support it.

Senator Symms. Thank you very much. And I thank all witnesses that were here today to make this a very successful hearing. The meeting now is adjourned until next week in Seattle.

[Whereupon, at 1:10 p.m. the hearing was adjourned to reconvene August 17, 1981 in Seattle, Wash.]

[Statements submitted for the record follow:]

TESTIMONY BY

DARRELL V MANNING
DIRECTOR

IDAHO TRANSPORTATION DEPARTMENT

BEFORE THE

SENATE TRANSPORTATION SUBCOMMITTEE
BOISE, IDAHO
AUGUST 15, 1981

OPENING

Mr. Chairman and Committee Members. My name is Darrell V Manning, Director of the Idaho Transportation Department. I am speaking on behalf of the Idaho Transportation Board, and Governor Evans. First, we are pleased that you have taken the time to hold a hearing in the great State of Idaho. Secondly, I am honored to appear at this hearing to offer our views on transportation issues, particularly as they affect the State of Idaho.

I have followed the hearings which you have held and the testimony received with considerable interest. The American Association of State Highway and Transportation Officials position, as presented by Vice-President John A. Clements, closely represents our views concerning long term transportation issues. We also recommend to you the findings contained in American Association of State Highway and Transportation Official's report entitled, "A Program for America's Highways in the 80's." The following remarks are generally consistent with that proposed program.

INTERSTATE COMPLETION

The Idaho Transportation Department supports completion of all essential Interstate gaps at the earliest possible time. We applaud efforts expressed in pending highway legislation redefining Interstate completion so as to transfer non-essential elements to the Interstate 4R program. Examples include weigh stations, landscaping, and safety improvements on completed sections. This action alone would reduce the cost of completion by nearly 17 billion dollars (39% of total cost).

Clarification of the definition for completion is urgently needed. However, funding should not be limited to preliminary project information and related costs as contained in the 1981 Interstate cost estimates. We believe acceptable construction features for eligible Interstate completion projects, and funding should be based on decisions resulting from final location and design hearings.

We also recommend retention of a minimum one-half percent allocation to assure completion in those states which have received little or no additional Interstate mileage since the inception of the program, and whose share of Interstate funding has been increasingly diluted by the addition of such mileage.

Idaho received about one percent of the total apportionment at the inception of the program. Mileage additions would have progressively diluted that percentage to 0.385 without the minimum percent support level. Even with retention of the minimum one-half percent, completion of the Interstate system in Idaho would extend well into the mid-1990's.

Based on the 1981 Interstate Completion Estimate, the minimum one-half percent provision in present law will cost only $144 million in F.Y. 1983, which is a relatively small percentage of the total cost to complete. By way of comparison, a single project, the Century freeway in Los Angeles has escalated in cost from $701 million in 1979, to an estimated $2.7 billion due in part to the inclusion of social programs. To my understanding, FHWA may scale down this project from eight lanes plus two transit lanes to a single six-lane freeway. This interstate link is one of those added to the system in 1968, which caused serious diminution of available funding to Idaho and other states which did not receive added mileage.

APPORTIONMENT OF INTERSTATE 3R AND 4R FUNDS

The current apportionment formula for 3R funds uses Interstate lane miles and vehicle miles of travel in the ratio of 75 percent to 25 percent respectively.

The American Association of State Highway and Transportation Officials (AASHTO), is on record in support of a 4R apportionment formula which weighs determinable factors such as pavement age, lane miles, and traffic volumes. The Idaho Transportation Department has evaluated and supports the Senate formula based on 60 percent lane mileage and 40 percent vehicle miles of travel as a reasonable compromise with other proposals which emphasize travel. We support the AASHTO position that no state should receive less than one-half of one percent.

CATEGORY CONSOLIDATION

Idaho Transportation Department supports the AASHTO position for category consolidation, and urges retention of the urban and secondary programs. Much of the urban program in Idaho has been directed toward intersection improvements which result in time, energy, and accident reduction savings. We believe these benefits to be in the national interest in terms of increased production, and reduced energy consumption.

The secondary program is also vital to our well being since it forms the basic transportation network for the movement of essential farm products and raw materials without which this nation could not function.

We believe a consolidated safety construction program should be retained and adequately funded. For efficiency, the states should make the decisions on ways in which safety funds are spent. We cite the high hazard spot correction program as one which we have found to be most beneficial with accident reduction savings exceeding correction cost by as much as 40 to 1.

At the other end of the scale, the rail-crossing protection program has been very questionable in terms of effectiveness. Of the economic loss due to traffic accidents on Idaho's State Highway System, less than one half of one percent occurs at rail crossings. Unfortunately, a disproportionate amount of available federal safety correction funds is now expended for that purpose.

BRIDGE REPLACEMENT AND REHABILITATION NEEDS

There are a total of 3,635 bridges on the public highway system in Idaho which qualify for federal funding. These bridges are under the jurisdiction of state and local governments.

Based on a report published by FHWA entitled, "Second Annual Report to Congress Highway Bridge Replacement and Rehabilitation Program," dated March 1981, Idaho ranks 7th in the nation in the percentage of structurally deficient bridges, compared to the total number of bridges on the federal-aid system. However, Idaho ranked 39th among the states in level of funding. The available federal funds for this program will fall far short of meeting Idaho's bridge replacement needs.

We appreciate receiving Discretionary Bridge funds for the Sandpoint Bridge project, which was awarded in 1979. We strongly recommend continuation of discretionary funding, since there are a total of four major bridges in Idaho in need of replacement at a total cost of $58.7 million.

Increased obligational authority is needed to accommodate these large projects to avoid delaying other essential work such as Interstate gap completion. We recommend that as a general policy, discretionary funding should be excluded from each state's normal obligational limitation.

OTHER CONCERNS IN IDAHO

Idaho is a "bridge state," through which commodities, and travelers move to other destinations in disproportionately large numbers. Two thirds of the state is owned by the federal government. The land encompassed by the national forests is generally rugged, and comprises a barrier to highway travel. If the northern tip of forest area in Idaho were placed in Chicago, Illinois, the southeastern area would extend into Georgia, and South Carolina.

Annual national authorizations for Forest Highways and Public Lands Highways are $33 million, and $16 million respectively. These amounts have remained unchanged for over twenty years. Public Lands funds are discretionary, and cannot be anticipated. Idaho's annual share of Forest Highway funds is less than $3.4 million. Inadequacy of such funding is manifest by construction of one mile of highway in mountainous terrain, where cost routinely exceeds $1 million.

Incongruities between federal ownership of land, amounts of federal aid to highways, and travel through the state are intensified by composition of the traffic flow. As a "bridge state," Idaho serves large volumes of truck movements. In addition, principal economic activities within the state add to truck travel through transport of agricultural products, logs, and ores. Inordinate pavement wear is the inevitable result.

ACTION BY CONGRESS IS NEEDED

Funding at both the state and federal level is inadequate to cope with the rate of pavement wear, and bridge deterioration which are occuring on all systems.

In constant dollars, the highway construction program in Idaho has decreased by 30% since 1973. The federal share has decreased at an even more rapid rate.

We are concerned regarding the advance notice of funding for the Primary and Secondary programs in Fiscal Year 1982. Total funding for these programs is reduced from $21.8 million to $16.5 million.

A total reduction of 24% in the Primary and Secondary programs from F.Y. 1981 to 1982 is due to the shortfall of authorization in the last year of the Surface Transportation Assistance Act of 1978.

Legislation is needed to increase the F.Y. authorization for the Primary and Secondary programs to at least the F.Y. 1981 authorization. We have the same concern for the Bridge Replacement and Rehabilitation program. The national authorization for F.Y. 1982 compared to 1981, is reduced from $1.3 billion to $0.9 billion.

Highway user tax revenues should be indexed to keep pace with the economy and offset reductions in program levels caused by inflation.

Capricious withholding and releasing of funds impacts ability to manage manpower resources efficiently. Projects can be developed and scheduled better with the maximum release of funds at the beginning of the fiscal year. Additionally, contracts can be let to take advantage of pricing, and improve cash flow.

Quarterly releases of funding to protect solvency of the Trust Fund might be acceptable, but a long range schedule is needed as a companion feature. Along with these considerations, a catch-up mechanism should be initiated to allow obligational authority for about $39 million of Idaho's funds, which were frozen as part of the apportionment for fiscal year 1980.

The need for a new highway bill by this fall is urgent. Without an approved Interstate cost estimate and revised definition, funding for that category will stop, and completion will be delayed even further.

We endorse a multi-year bill as proposed by the Senate and Administration. However, a viable option is a short two or three year bill followed by a bill in 1983 which incorporates a revenue increase, and is of longer duration.

SUMMARY OF RECOMMENDATIONS

Interstate Completion:

- Complete essential Interstate System gaps at the earliest possible time.
- Fund Interstate completion projects on construction features resulting from final location and design hearings.
- Retain minimum one-half percent funding allocation.

Apportionment of Interstate 3R and 4R Funds:

- Use Senate formula based on 60 percent lane mileage, and 40 percent vehicle miles of travel.
- Provide for minimum one-half percent funding allocations.

Category Consolidation:

- Retain Urban and Secondary programs.
- Retain a consolidated Safety construction program, and allow flexibility in selecting projects.

Bridge Replacement and Rehabilitation Needs:

- Continue Discretionary Bridge funds.
- Exclude discretionary funding from obligational limitations.

Legislation:

- Provide for funding increases to retain at least fiscal year 1981 levels, except authorizations for Forest Highways, and Public Lands Highways which should be increased to offset inflationary effects. Indexing apropriate economic indicators is the preferred method for achieving increases; a draw-down in the Trust Fund balance could be included as well.
- Pass a multi-year bill. An acceptable option is a two-year bill, followed by one of longer duration.
- Make the maximum release of funds at the beginning of the fiscal year.

STATE OF NEVADA
DEPARTMENT OF TRANSPORTATION
1263 SOUTH STEWART STREET
CARSON CITY, NEVADA 89712

A. E. STONE
Director

TRANSPORTATION BOARD
ROBERT LIST, *Governor, Chairman*
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TESTIMONY BY A. E. STONE
DIRECTOR
NEVADA DEPARTMENT OF TRANSPORTATION

BEFORE THE SENATE SUBCOMMITTEE ON TRANSPORTATION,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

ON SENATE BILL 1024

August 15, 1981
Boise, Idaho

INTERSTATE SYSTEM COMPLETION

Nevada supports using the 1981 Interstate Cost Estimate.

We feel a 4-lane design or 6-lane design predicated on population is unrealistic and that lane designs should be based on traffic needs with a maximum of 8 lanes permitted.

A. Minimum Apportionment

We support the 1/2 percent minimum apportionment, but feel $20 million a year in today's dollars would be required to have a realistic program for completing the Interstate System.

B. Apportionment Formula

We support the American Association of State Highway and Transportation Officials' (AASHTO) position of using the "redefined costs to complete" through September 30, 1984, and an annual obligation plan thereafter.

C. Authorizations

Nevada supports the AASHTO position which provides a greater portion of funding for completion of the Interstate System through fiscal year 1986; i.e.:

FY 1982 - $3.74 billion
FY 1983 - $4.12 billion
FY 1984 - $4.54 billion
FY 1985 - $4.99 billion
FY 1986 - $5.48 billion

S. 1024 proposed funding levels, coupled with inflation will prolong completion of the Interstate System.

INTERSTATE 4-R

Nevada would support the expansion of the 3-R program to a 4-R program as outlined in S. 1024.

A. Minimum Apportionment

We agree with the 1/2 percent minimum apportionment as outlined in S. 1024.

B. Apportionment Formula

We feel that rather than just lane miles and vehicle miles as being addressed in the formula, some consideration should be given to the percent of trucks. Portions of Nevada's I-80 have 42 percent trucks. We suggest a formula weighting of 60 percent lane miles, 40 percent trucks.

C. Authorizations

Nevada supports AASHTO's position as a more realistic level of funding, i.e.:

FY 1982	-	$3.05 billion
FY 1983	-	$3.36 billion
FY 1984	-	$3.69 billion
FY 1985	-	$4.06 billion
FY 1986	-	$4.46 billion

PRIMARY PROGRAM

Nevada supports retaining the Primary Program as a separate category and repealing the Priority Primary Program after FY 1981. We support AASHTO's position on funding as being more realistic. For example:

FY 1982	-	$1.88 billion
FY 1983	-	$2.06 billion
FY 1984	-	$2.27 billion
FY 1985	-	$2.50 billion
FY 1986	-	$2.75 billion

BRIDGE PROGRAM

Nevada supports retention of the bridge program as a separate category.

A. Apportionment Formula

We support S. 1024 proposed 8 percent maximum apportionment and 1/4 percent minimum apportionment.

B. Availability Period

We support four years with unobligated funds being reapportioned as outlined in S. 1024.

C. Authorizations

We support AASHTO's recommended funding level, i.e.:

FY 1982 - $1.77 billion
FY 1983 - $1.95 billion
FY 1984 - $2.14 billion
FY 1985 - $2.36 billion
FY 1986 - $2.59 billion

URBAN PROGRAM

Nevada believes you should retain the Urban System Program in its present form as a separate categorical system. We believe there are obvious merits to a Federal program that dictates consistency and uniform standards nationwide. The existing system as designated is a valid and necessary program.

A. Authorizations

We support AASHTO's position as a more realistic level of funding, i.e.:

FY 1982 - $1.22 billion
FY 1983 - $1.34 billion
FY 1984 - $1.48 billion
FY 1985 - $1.62 billion
FY 1986 - $1.79 billion

RURAL PROGRAM

Nevada supports the existing system designation under a separate rural categorical program. We again believe there are merits to the consistency and uniform standards that would be provided under a Federal program. The existing system as designated provides a valid and necessary program that is essential for bridge states such as Nevada.

A. Authorizations

We support AASHTO's position as a more realistic level of funding, i.e.:

FY 1982 - $ .94 billion
FY 1983 - $1.03 billion
FY 1984 - $1.13 billion
FY 1985 - $1.25 billion
FY 1986 - $1.37 billion

SAFETY CONSTRUCTION

Nevada supports AASHTO's position to provide for a consolidated categorical safety program.

A. Authorizations

We support AASHTO's position on funding as being more realistic. For example:

FY 1982 - $ .41 billion
FY 1983 - $ .45 billion
FY 1984 - $ .5 billion
FY 1985 - $ .55 billion
FY 1986 - $ .6 billion

APPALACHIAN DEVELOPMENT HIGHWAYS

Nevada would support continued financing with general funds for this program as outlined in S. 1024.

A. Transferability

We support the 100 percent transferability between Primary, Urban, and Rural programs as outlined in S. 1024.

HIGHWAY TRUST FUND

Nevada supports AASHTO's position extending the trust fund indefinitely with provisions for (1) drawing down the balance, (2) indexing the motor fuel tax to inflation, (3) increasing all other excise taxes to maintain the present proportion of revenue, i.e., gas tax vs. other tax.

Nevada believes that if the user benefits are considered in system improvement or new construction that mandated obligational authorities are unrealistic and are actually more inflationary than allowing full obligational authority for the authorized program funding. At the very least, Interstate Discretionary money should not be limited by obligation authority. This would provide for more rapid completion of the Interstate System for those States that have the ability to obligate the funds, resulting again in maximum user benefits and less inflation.

TRANSPORTATION SUBCOMMITTEE

SENATE COMMITTEE ON ENVIRONMENT AND
PUBLIC WORKS

STATEMENT ON FEDERAL HIGHWAY LEGISLATION

BY

Ted Schwinden
Governor of the State
of Montana

August 21, 1981

INTRODUCTION

Montana's economy, like that of most western states, depends on the basic industries of agriculture, wood products, mining and tourism. All of these industries depend heavily on Montana's highways and on the national highway system.

This dependency is becoming absolute in some cases with the proposed abandonment of hundreds of miles of branch lines by the Burlington Northern Railroad, and the loss of the Milwaukee Railroad, the only other major rail carrier in the State. In addition, we have experienced a substantial reduction of air service by major carriers during the past several years.

A reliable transportation system has been the key to the economic development and well-being of the United States. In the western states, where populations are sparse and distances long, highways are the only form of transportation available to thousands of small communities and the only means of getting their goods and services to and from markets. The idea of a complete modern system of interstate and local highways has long received a great deal of support in the western states.

The Federal Aid Highway Program has allowed that idea to become a reality. But now, with the bills under review by your subcommittee, we are witnessing a retreat from the decades' old commitment by the Federal Government to provide the nation with a reliable, safe and well maintained highway system.

Senate Bill 1024 and Senate Bill 841 represent a special hardship for Montana and other rural states - a hardship compounded by skyrocketing construction costs and declining level of tax revenues.

Let me talk about the specifics.

THE INTERSTATE SYSTEM

Any new Federal-Aid Highway legislation must provide for an expeditious completion of the Interstate System. While only 72 miles remain to be completed in the 1200 mile Montana Interstate System, the uncompleted sections promise to be the most expensive. Inflation may delay completion of the final 6% of Montana's Interstate for many years if the Federal funding commitment to a rapid completion is dropped. The Interstate Program must establish as a priority the completion of essential gaps in the Interstate System. Completion of the Interstate gaps must be the priority in adopting a new cost estimate for completion of the interstate system.

Secondly, although there is a general recognition that steps must be taken to preserve the great capital investment that has been made in the Interstate System and all proposals to renew the Federal Aid Highway legislation recognizes the need for an expanded program to maintain the Interstate, S. 1024 significantly changes the way these funds will be distributed. The current program to maintain the Interstate System (3R Program) apportions funds on a basis of 75% for lane miles and 25% for traffic volumes. Senate Bill 1024 increases the percentage for traffic volume to 40% and reduces the percentage for lane miles to 60%.

Montana's share of the proposed 4R Program funds could be reduced by one-half under such a formula.

Western states in general will be impacted more than populated states since they have the largest stretches of Interstate with the least traffic.

By diluting the formula to favor more populous states, Montana and other large states will be left with less funding to maintain more highway. In that state revenues correlate directly with traffic volume, the states with the least potential for raising state revenues, will receive the smallest share of the federal funds. Clearly, the current 75% lane mile formula should be retained.

URBAN AND SECONDARY PROGRAMS

S. 841, the Reagan Administration Bill, would eliminate federal aid for Urban and Secondary Systems by 1983. Senate Bill 1024 would reduce federal participation by 50%. Again, these changes seriously impact rural states, where secondary roads are critical to delivery of people to jobs and goods to market. By eliminating the program, we can anticipate more difficulty in getting agricultural products to market, and ultimately, an increase in costs to the urban consumer.

You cannot expect local governments to assume the costs of maintaining the systems. With the cuts in federal budget already approved, local governments are being forced to their financial limits as the burden of funding federal programs is forced upon them. The same is true of states. Eliminating federal participation will simply return these highway systems to the state they were in 50 years ago, eliminating a huge capital investment and passing on to future generatons an ever increasing burden. I urge you to retain federal participation at the existing level.

OTHER IMMEDIATE CONCERNS

First, Congressional actions to limit fiscal year 1982 obligations to $8.2 billion has signaled the states that many long planned highway projects will have to be delayed or forgotten. After a rate of inflation for construction that has been higher than the CPI for the last ten years, that $8.2 billion represents significantly less actual work on our highway system than ten years ago. If the level of funding remains almost static, while inflation continues unabated, the nations highway system cannot survive.

Second, Congress must act to prevent any delays in interstate construction. Until a revised interstate cost estimate is adopted, no funds can be made available for interstate construction next year. That has not been done yet, and we are quickly approaching the end of this fiscal year and action is needed.

The Interstate Cost Estimate should not in any way contemplate reducing the standards for interstate in rural areas from four to two lane. To abandon the concept of a four lane interstate at this time, after years of planning and actual expenditures, would be irresponsible.

Congress needs to act soon.

CONCLUSION

Montana, and I believe, the other western states, are greatly disturbed by the steps being proposed by the Administration and contained in S. 1024. We recognize and accept the states responsibility for good roads and we are devoting more state resources to correct the deterioration of our highway system. We are also reducing costs and taking far more aggressive action than the Federal Government to stretch each dollar to the limit. Our efforts will be negated if either of these bills become law, as increased State dollars will do nothing more than replace reduced federal dollars. The idea behind the states' efforts remains basically the same; to complete an up-to-date system of interstate and local highways to serve communities and markets that would otherwise be removed from the mainstream. The Federal Government appears to be abandoning that idea, and I urge your subcommittee to prevent this from happening.

CV:mb:5C

JOHN O SESSIONS
DISTRICT 31
TETON BONNEVILLE
AND MADISON COUNTIES

HOME ADDRESS
414 NO MAIN
DRIGGS IDAHO 83422
PHONE (208) 354 2508

COMMITTEES

CHAIRMAN
TRANSPORTATION AND DEFENSE

VICE CHAIRMAN
EDUCATION

House of Representatives
State of Idaho

August 15, 1981

STATEMENT CONCERNING IDAHO'S HIGHWAY SYSTEM
Submitted by
STATE REPRESENTATIVE JOHN O. SESSIONS

The importance of an adequate highway system, well designed and well maintained, is invaluable to the economy of Idaho. Such a system must include not only the Interstate system, but the primary and secondary roads as well.

Idaho being a producer, processor, and exporter of agricultural, timber, and mineral commodities, it is most essential that those items be transported intrastate during the harvesting and processing stages, and interstate as finished products in the most economical and expeditious manner.

Not only do Idahoans benefit from the efficient movement of these products, but other states as well benefit and, to a large extent, are dependent upon these and other commodities which are exported.

Naturally, the key to any good highway system is adequate financing from both state and federal sources.

With some two-thirds of the land area of Idaho being federally owned, the federal government must continue to recognize that fact and provide federal financial support not only at existing levels, but increased in sufficient amounts to offset the impacts of inflation.

The Federal Highway Trust Fund should maintain its integrity, i.e., retained for the purpose for which it was intended -- the construction and maintenance of highways. Diversion of any highway trust funds for mass transit projects should not be a consideration.

In my opinion, Idahoans have always accepted very well their proportionate responsibilities for funding of the highway system. Hopefully, the federal government will continue to respond favorably in supporting an adequate and well maintained highway system for Idaho.

/S/ JOHN O. SESSIONS
State Representative
Chairman, House Transportation
and Defense Committee

RALPH OLMSTEAD
SPEAKER

HOME ADDRESS
ROUTE 2
TWIN FALLS IDAHO 83301

House of Representatives
State of Idaho

August 12, 1981

WRITTEN TESTIMONY
for the
TRANSPORTATION SUBCOMMITTEE OF THE SENATE ENVIRONMENT
AND
PUBLIC WORKS COMMITTEE

Mr. Chairman and Committee Members.

I appreciate the opportunity to express my views on Federal-aid highway policies as they will be of critical importance to the state of Idaho.

I support the efforts to redefine Interstate Completion which could expedite completion of the gaps in Idaho's system. The American Falls, Wallace, Coeur d'Alene and Caldwell segments represent critical problems in safety as well as economy for our state.

The retention of the 1/2% minimum apportionment included in S. 1024 is vital to Idaho and other states which have received little or no additional interstate mileage since the inception of the program. If Idaho is forced to compete with high-cost metropolitan interstate projects, I feel Idaho's fair share of funds would diminish.

Retention of the 1/2% minimum is also important to our interstate rehabilitation needs. Further, I would prefer that the current lane mile/vehicle mile apportionment formula of 75%/25% be retained to protect the systems of rural states such as Idaho. Given the pressure exerted by urban areas for more consideration, a change may, unfortunately, be inevitable. I would ask that the 60/40 formula in S. 1024 be viewed as the furthest departure necessary from current policy.

A consolidated safety program is desirable as long as the states decide on how the money is spent. Individual priorities vary from state to state and preclude the effectiveness of rigid nationwide federal guidelines.

I support the retention of federal support for the secondary program. Idaho's secondary network is of national economic importance, providing the system through which vital agricultural, mineral and other raw materials move. I can support phasing out federal participation as provided in the Administration bill, only if that taxing authority is picked up by the state or states to assure adequate funding for our construction and maintenance needs.

Another area of federal participation which deserves comment is the Forest Public Lands highways. Continued support is critical in Idaho, where two-thirds of our state is federally owned. Idaho's Forest Highways annual allotment is less than $3.4 million in a state where mountainous terrain highway construction costs exceed $1 million per mile, according to Idaho Transportation Department figures. Proportional equity should be strived for regarding federal ownership and relative highway funding support. This axiom applies as well to bridge repair and replacement, where Idaho's percentage of structurally deficient bridges is disproportionately high compared to funding received.

Idaho has generally met its responsibilities for maintaining its capital investment in highways. Four times in the last ten years Idaho has seen a need to increase highway user taxes to keep pace with transportation demands, particularly the effect of inflation on construction costs. In turn, the federal government has not increased the motor fuel tax since 1959, and other Trust Fund excise taxes have remained static since the 60's. My concern is for the solvency of the Highway Trust Fund relative to demands, and the state's realistic capability to assume more of the financial burden.

The federal government's thrust toward a "new federalism" certainly is not mutually exclusive of "shared responsibility", and I congratulate this Committee's efforts to develop innovative, yet equitable, solutions to the nation's transportation problems.

HIGHWAY LEGISLATION COMPARISONS

	ISSUE	ADMINISTRATION BILL (S. 841)	SENATE BILL (S. 1024)	AMERICAN ASSOC. OF STATE HIWAY OFFICIALS' POSITION
I.	INTERSTATE COMPLETION A. Program definition	Redefined, scaled-back standards, transfers elements to rehabil.	Same as Admin. bill.	Redefined; no scaled-back standards, element transfers.
	B. Total Cost	$31.5 billion	$26.1 billion	$41.6 billion
	C. Minimum Apportionment	Eliminates 1/2% minimum apportionment.	Retains 1/2% minimum apportionment.	Retains 1/2% minimum apportionment.
	D. 1982-1986 Authorizations	$17.8 billion	$17.1 billion	$22.8 billion
II.	INTERSTATE REHABILITATION (4R) A. Program	Expanded, transfers in $22 billion from Interstate Completion Program.	Expanded, transfers in $28 billion from Interstate Completion Program.	Expanded, transfers in $12 billion from Interstate Completion Program.
	B. Minimum Apportionment	Provides 1/2% minimum.	Same.	Same.
	C. Apportionment Formula	50% lane miles 50% vehicle miles	60% lane miles 40% vehicle miles	Expand definition to include pavement condition, deterioration, etc.
	D. 1982-1986 Authorizations	$8.9 billion	$7.7 billion	$14.9 billion
III.	PRIMARY SYSTEM A. Program	Retained as separate category.	Same.	Same.
	B. 1982-1986 Authorizations	$8.6 billion	$7.8 billion	$11.4 billion

	ISSUE	ADMINISTRATION BILL (S. 841)	SENATE BILL (S. 1024)	AMERICAN ASSOC. OF STATE HIWAY OFFICIALS' POSITION
IV.	BRIDGES A. Program	Retain as separate category	Same.	Retain but with long-term phase-out.
	B. 1982-1986 Authorizations	$6.3 billion	$5.9 billion	$10.8 billion
V.	URBAN A. Program	Phases out by 1984.	Retains program.	Retains category.
	B. 1982-1986 Authorizations	$1.4 billion	$2.8 billion	$7.5 billion
VI.	RURAL (SECONDARY) A. Program	Phases out by 1984.	Retains program.	Retains category.
	B. 1982-1986 Authorizations	$1.0 billion	$2.5 billion	$5.7 billion
VII.	SAFETY PROJECTS A. Program	Eliminates.	Retains program.	Consolidated program.
	B. 1982-1986 Authorizations	-0-	$ .35 billion	$2.5 billion

Idaho
HIGHWAY USERS CONFERENCE
P. O. Box 1384
Boise, Idaho 83701

STATEMENT TO THE TRANSPORTATION SUBCOMMITTEE OF THE SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

SATURDAY, AUGUST 15, 1981
BOISE, IDAHO

PRESENTED BY:

HAROLD WEST
MEMBER OF THE EXECUTIVE COMMITTEE
IDAHO HIGHWAY USERS CONFERENCE

Mr. Chairman, I am Harold West, a member of the Executive Committee of the Idaho Highway Users Conference and am testifying on behalf of that organization.

The Conference is a nonpartisan, nonprofit organization dedicated to the full development of a viable highway transportation system for the movement and mobility of people and products and to the safer use of our highways and streets. Business, industry, associations and individuals who recognize the importance of highway transportation to Idaho's vitality are Conference members. Conference membership includes representatives from the broadest spectrum of the highway users community. Please refer to attached list:

The Conference is deeply concerned about the many problems effecting highway transportation throughout the Nation, and in particular we are aware of Idaho's dependence on highways and motor vehicles for the movement of goods and people. The Conference is alert to the facts that our highways are deteriorating faster than we can repair them. The high cost of maintenance and re-construction, the increasing inflation rate, fuel costs and more efficient gasoline operated motor vehicles have seriously impacted the financing of highway systems.

Idaho is an Agricultural state, producing a very large volume of products, all of which must be exported from the state. Good roads, are an absolute necessity to accomplish the vital movement of product to market. Idaho is very concerned about the funding for Primary and Secondary roads, as well as for the Inter-state. I would like to cite to you just one example of the use of and our dependence on the highway system: Using one commodity grain, (wheat and barley) that is produced throughout the state of Idaho, sometimes in remote areas surrounded by Federal lands and often far removed from the inter-state system -- grain at the time of harvest requires a huge volume of trucks to move the commodity to storage or market. In 1980 Idaho produced 154 million bushels of wheat and barley. At harvest time that grain is hauled from the fields to elevators and storage facilities located at a rail head or on main highway locations for storage or sale to locations throughout the U.S. and overseas. The original movement from field to storage facility is usually done on single axle trucks, hauling approximately 400 bushels per load, mostly on secondary roads. To move 154 million bushels of grain requires 3,850,000 single axle trucks, or during a 60 day harvest period 89 trucks per minute, or one truck every 15 seconds to be unloaded at a warehouse or terminal

LOCATION, USUALLY FAR REMOVED FROM THE FIELD IN WHICH IT WAS GROWN. THIS STATISTIC SAYS NOTHING ABOUT THE MORE THAN 50 OTHER MAJOR CROPS PRODUCED IN THE STATE OF IDAHO, SUCH AS OUR WORLD FAMOUS POTATO, OUR BEAN SEED WHICH SUPPLIES 85% OF THE U.S. NEEDS, OUR SWEET CORN SEED WHICH SUPPLIES 95% AND ONION SEED 50%. AGRICULTURE IS BUT ONE ELEMENT OF THE BUSINESS AND INDUSTRY COMMUNITY THAT IS COMPLETELY RELIANT ON IDAHO'S HIGHWAY SYSTEM. A SYSTEM THAT IS THE BACKBONE OF THE STATE'S ECONOMIC WELL BEING.

WE URGE THAT CONGRESS REJECT EFFORTS TO NOT FUND THE SECONDARY ROAD SYSTEMS. THESE SYSTEMS ARE A VITAL LINK TO A SOUND HIGHWAY TRANSPORTATION NETWORK IN IDAHO.

MOST OF IDAHO'S AGRICULTURAL PRODUCTION IS ON IRRIGATED ACRES, REQUIRING THOUSANDS OF MILES OF CANALS, DITCHES, LATERALS, PIPELINES TO DELIVER WATER FROM THE MIGHTY SNAKE RIVER, AND OTHER WATERSHEDS TO OUR FARMLAND. EVERYONE OF THESE WATERWAYS HAS TO BE CROSSED BY A ROAD AND A BRIDGE OF SOME KIND. THIS IS IN ADDITION TO THE CULVERT AND BRIDGE NEEDS FOR RUN-OFF, DRAINAGE, AND THE NATURAL FLOW OF STREAMS FROM OUR MOUNTAINS THROUGHOUT THE STATE. BRIDGES THROUGHOUT IDAHO CREATE SPECIAL PROBLEMS AND FUNDING FOR THEIR IMPROVEMENT SHOULD BE AT A LEVEL HIGH ENOUGH TO MAKE THE SYSTEM SAFE AND EFFICIENT. THE CONFERENCE IS OPPOSED TO PROVISIONS SETTING ASIDE FEDERAL-AID FOR OFF-SYSTEM BRIDGE REPAIR.

MANY MILES OF IDAHO'S HIGHWAYS ARE LOCATED ON FEDERAL AND STATE LANDS. FUNDING ELIGIBILITY AND REGULATIONS FOR HIGHWAYS IN THESE AREAS MAKE IT MOST DIFFICULT TO MAINTAIN AND UP-GRADE THESE SYSTEMS. WE APPLAUDE CONGRESSIONAL EFFORTS TO REDUCE THE ADMINISTRATIVE BURDENS OF STATE AND LOCAL GOVERNMENTS BY LIMITING THE NUMBER OF HIGHWAY PROGRAM CATEGORIES. IN ADDITION WE URGE THAT YOUR COMMITTEE MAKE RECOMMENDATIONS THAT WOULD ACCOMPLISH THE FOLLOWING:

* THE TRUST FUND BALANCE, WHICH IS COMMITTED TO HIGHWAY IMPROVEMENT SHOULD BE SPENT DOWN TO THE AMOUNT NEEDED TO OPERATE ON A CASH FLOW BASIS.
* WE SUPPORT "USER FEE" CONCEPTS AND HIGHWAY USER FEES SHOULD BE EQUITABLY ASSESSED AMONG THE CLASSES OF USERS AND BENEFICIARIES.
* THE NATION NEEDS A PREDICTABLE CONSISTENT HIGHWAY FUNDING PROGRAM AT THE FEDERAL LEVEL TO ASSURE THAT WE ARE ABLE TO ECONOMICALLY ADDRESS OUR CRITICAL HIGHWAY NEEDS - NOW AND IN THE FUTURE.
* THE FEDERAL HIGHWAY TRUST FUND SHOULD BE MADE PERMANENT OR AT LEAST LONG TERM. THE FUND IS AN IDEAL PROGRAM WHICH CREATES NO DEFICITS AND IS THUS NOT INFLATIONARY.

- * WE SUPPORT A CONTINUING FEDERAL RESPONSIBILITY IN THE INTERSTATE SYSTEM AS PROPOSED IN THE 4-R PROGRAM.
- * MOST WESTERN STATES HAVE NEGLECTED THEIR PRIMARY SYSTEMS IN ORDER TO MEET INTERSTATE DEMANDS AND THEY NOW NEED TO DIRECT ATTENTION TO THESE ROADS WITH ASSURANCES THAT ADEQUATE FUNDING IS AVAILABLE.
- * THE CONFERENCE IS OPPOSED TO DIVERSION OF FEDERAL-AID HIGHWAY FUNDS TO MASS TRANSIT PROJECTS OR OTHER NON-HIGHWAY PURPOSES.
- * WE FEEL THAT HIGHWAY MOBILITY AND SAFETY MUST BE IMPROVED.

WE ARE GRATEFUL FOR THIS OPPORTUNITY TO STATE OUR VIEWS AND WE ARE CONFIDENT YOUR COMMITTEE AND CONGRESS WILL ACT FAVORABLY AND SET INTO PLACE LEGISLATION THAT WILL BRING OUR NATION'S HIGHWAY SYSTEM THE FINANCIAL STABILITY IT REQUIRES TO MAKE IT AN EFFICIENT AND INTEGRAL PART OF OUR ECONOMIC SURVIVAL PACKAGE.

IDAHO HIGHWAY USERS CONFERENCE

TYPICAL MEMBERS ARE:

* CONCERNED CITIZENS
* STATE MOTOR CLUBS
* BUS COMPANIES
* FINANCIAL INSTITUTIONS
* PORT AUTHORITY - LEWISTON
* CEMENT/ASPHALT COMPANIES
* TRUCKING COMPANIES
* HOTELS/MOTELS
* CAR RENTAL AGENCIES
* PETROLEUM INDUSTRY
* AUTO DEALER ASSOCIATION
* STATE MOTOR CARRIER ASSOCIATION
* AGRICULTURAL COMMUNITY
* FOREST PRODUCTS INDUSTRY
* MOVING/STORAGE COMPANIES
* CONTRACTORS
* CONSTRUCTION EQUIPMENT COMPANIES
* BUSINESS + INDUSTRY COMPANIES
* LIVESTOCK ORGANIZATIONS
* AUTOMOBILE DEALERS

BEFORE THE

TRANSPORTATION SUBCOMMITTEE OF THE

SENATE PUBLIC WORKS COMMITTEE

HEARING ON

FEDERAL AID HIGHWAY LEGISLATION

BOISE, IDAHO

AUGUST 15, 1981

BOISE HOLIDAY INN
BOISE, IDAHO

AUGUST 15, 1981
10:00 A.M.

STATEMENT OF LAWRENCE M. ALLSBERRY

ON BEHALF OF GARRETT FREIGHTLINES, INC.

Lawrence M. Allsberry
Chairman
Garrett Freightlines, Inc.
P. O. Box 4048
Pocatello, Idaho 83201

Telephone (208) 232-8831

Mr. Chairman and members of the Transportation Subcommittee of the Senate Environment and Public Works Committee, my name is Lawrence M. Allsberry and I am the Chairman of Garrett Freightlines of Pocatello, Idaho. I appreciate this opportunity to appear before your Committee to discuss our position relative to the highway legislation you are considering. I welcome the members and staff of the Transportation Subcommittee to our great state of Idaho.

While I have in the past been a frequent visitor to Washington, D.C., I think it is worthwhile for our lawmakers to go out into the field and obtain first-hand information on the many problems facing our society. I commend Chairman Symms for his efforts in scheduling these timely hearings on a major transportation issue, our nation's highway system.

By way of background, Garrett is one of the oldest and most experienced general commodity motor freight companies in the nation, having operated continuously since its founding in Pocatello, Idaho, in 1913. In mid 1979, Garrett Freightlines was acquired by American Natural Resources, a Detroit-based corporation with interests in natural gas, coal and synthetic fuels. Garrett thus became the third major regional truck company purchased by American Natural Resources under its trucking subsidiary, ANR Freight System, joining Associated Truck Lines of Grand Rapids, Michigan and Graves Truck Line of Salina, Kansas. Though obviously a relative newcomer to the trucking industry, ANR Freight System in a few short years has grown to become the largest regional trucking company in the nation.

Mr. Chairman, as one who has seen our nation's highway system expand over the past 40 years to accommodate the growing needs of our mobile society, I cannot stress enough the need to continue funding of our highway program at a level which protects the investment of over $400 billion spent on highways since the creation of the Highway Trust Fund in 1956. I am justified in describing our nation's interstate highway system as the finest in the world and as contributing mightily to the overall prosperity and growth of the nation. If the more than 32.5 million trucks that haul goods and services in the United States suddenly disappeared, a surprising 65.8 percent of the nation's communities - more than 80% in six states - would have no other transportation link with supply centers because they are without rail service and must rely on highway transportation.

I point this out, Mr. Chairman, because we are entering a new period in the relationship between government and business in which all programs of the Federal Government will be closely examined to determine whether they truly provide public benefits in any reasonable relationship to their costs. This effort is long overdue and one which the trucking industry wholeheartedly supports. I am confident that in any such cost/benefit analysis, maintenance and completion of our highway system will be justified. We simply cannot allow this system to become obsolete or less than fully serviceable because of inadequate maintenance of a major nature or necessary reconstruction.

As I understand it, the program you are contemplating would set a pattern, for at least the immediate future, of federal aid highway expenditures at a level supported by income into the Federal Highway Trust Fund plus "draw downs" from the present trust fund surplus. This means the establishment of spending priorities. I support the legislation you are considering which places first priority on completion of the presently designated National System of Interstate

Highways, followed by an accelerated program of resurfacing, restoring, rehabilitating and reconstructing the System, then by continued federal aid to the Primary System. I would encourage this sub-committee to not support the dropping of the federal aid secondary system from the Federal Aid Highway Program. The retention of this system within the federal aid program is very important and when additional funding is available, this road system should continue to receive federal support.

During the design life of highway systems, they should be utilized to their optimum capability considering the service potential of various types of vehicles, safety factors, and the needs of the economy.

In my judgment, the highway systems of this country have been greatly under-utilized from the standpoint of commercial vehicles. This assessment is particularly relevant to the states that have until very recently formed a barrier blockade to the minimum national standards of 20,000-pound single axle, 34,000-pound tandems and 80,000-pound gross combination weight.

Length is not controlled by federal law. However, despite this and despite the fact the 65-ft. length twin-trailer combination is universally operated in the West and has a record of great efficiency and safety, the industry is still not able to operate this combination in 17 states. This is serious. The non-restrictive operation of the twin-trailer combination with the 65-ft. length and 80,000-pound gross weight would result in a savings of approximately 140 million gallons annually in fuel. In addition, nationwide operations of the twin-trailers would produce additional savings through greater efficiency in other areas.

My company's experience in Idaho and other western states convinces me that there are many modern configurations of more productive vehicles that offer great potential for economic benefits to shippers, carriers and the economy in general if they were more widely permitted on the various highway systems of the nation. The conditions under which these more productive trucks are operated in accordance with bridge formula loadings that adequately protect our structures and actually reduce loadings on axles to the benefit of pavements, assure that this equipment can be beneficially operated to provide greater efficiency and economies in motor carrier transportation.

Garrett Freightlines' experience in Idaho operating triple trailer combinations since 1968 provides an excellent illustration of these benefits without compromising traffic safety. The results have been a 27 percent savings of fuel, better and more efficient service for shippers with increased productivity. In the last ten years in Idaho Garrett has operated the triple trailer combinations 10,000,000 miles and saved 878,000 gallons of fuel, a major impact on the conservation of energy resources.

While I recognize that triples may not be viable on a national basis at this time, the State of Idaho is to be complimented for its progressive and forward-looking view on improving the efficiency of the state's trucking industry. Idaho has been one of the leaders in the western region in allowing the operation of more productive combinations on designated routes. With the success of the state's efforts and the neighboring states of Nevada, Utah and Oregon in this regard, great savings in fuel and reduced trips have had beneficial effects upon traffic congestion and the efficient use of our highway systems. For this reason we consider with alarm the threats to these operations posed by unwise and narrow restrictive Federal Highway Administration interpretations seeking to enforce state discontinuation of such operations on the Interstate System under grandfather permit rights. The Federal-aid Highway Act of 1956, as amended in 1964, provided a "grandfather" clause that was specifically designed to protect weight limits in states where they were legally permissible in 1956, even though they might exceed the federal limit. Some of these higher weight limits were allowed under special weight permit sections in the various state statutes.

We believe the language of the 1956 statute to be quite clear and this clarity was in no way disturbed by any later amendments. The Federal Highway Administration threatening to withhold or withholding part of the federal highway funds from some states represents unwarranted and unjustified action to thwart legitimate technological advances to greater productivity in our industry. This is a prime example of unneeded and counter-productive federal interference in the state's administration of its highway transportation system.

We believe further that the Federal Government should take a positive role in encouraging the research cooperation of those who plan and build highways with those who develop the trucks, trailers and other physical hardware, as well as the companies who operate trucking equipment.

We need cooperative efforts to help determine more efficient systems to move the tremendous quantities of freight that are projected to be required by our nation in the decades ahead. What is needed most of all is a change in attitudes and historical biases. We need to act on factual information. Our highway systems exist as a renewable physical resource that should be constantly in use and systematically replenished. They should not be considered in the category of national monuments or man-made wonders of the world. They exist for utility and service, much as any other tool. Past size and weight research and the preliminary results of the current federal size and weight study indicate that there are overwhelming economic benefits on the side of reducing vehicle operating costs if the factors that affect truck productivity are recognized in appropriate axle, tandem and gross vehicle weight loadings. The realty of this vehicle/highway equation should certainly encourage Congress and the Administration to proceed as rapidly as possible with the improvement and maintenance of our top resource - our highways.

Thank you.

L. M. ALLSBERRY

Testimony of Ben Havdahl on Behalf of Western Highway Institute
Before the Hearing of the Transportation Subcommittee
# of the Senate Public Works Committee, Boise, Idaho
August 15, 1981

My name is Ben Havdahl. I am Executive Vice President of the Montana Motor Transport Association and Chairman of the Western Trucking Association Executives Council. Members of the WTAEC, like my own Montana Association, represent motor carriers of all sizes and types and their allied supplier companies throughout the Western United States. Each member association of the WTAEC is also a member of the American Trucking Associations, Inc., our national association.

I am appearing today on behalf of the Western Highway Institute. WHI is the research arm of the motor carrier industry in the West. It was established in 1947 as a non-profit, non-lobbying organization and conducts research and provides expert counsel to the industry in the areas of highway engineering, operational characteristics of motor vehicles, taxation and licensing. WHI research has been instrumental in many of the gains in productivity made by the western motor carrier industry. Both my own Montana Association and the WTAEC as a whole have directly benefitted from the work of WHI, so I am happy to have this opportunity to present testimony on behalf of WHI.

The highways of our nation have a big job to do. Intercity freight by motor carrier increased nationally from 285 billion ton-miles in 1960 to 450 billion in 1975 and will reach almost one trillion by the year 1990. That freight is the very stuff of our economy, and its transportation is crucial to our economic vitality. In the West, few options exist to highway transportation. More than 68 percent of cities in the West are without any rail service, and that percentage rises to 83 percent in New Mexico. Railroad track mileage is actually decreasing in the West, and my own State of Montana has a transportation crisis today because of rail bankruptcies. Even less available in the West is transportation by waterway. The Western economy is heavily dependent upon highway transportation. The freight transportation demands of tomorrow will require us today to make the most efficient and productive use of our highways.

This very moment in the West we have the technology to meet those increased freight transportation demands; and that technology, in the form of modern, more productive vehicle combinations, is already in operation on Western highways, proving its efficiency day in and day out. But one thing stands in the way of the fullest use of this modern equipment, and that is the federal truck size and weight laws. As Chairman of the WTAEC, I urge an early change in the federal size and weight laws to remove arbitrary limits on productivity. As a spokesman here for WHI, I urge you to thoroughly examine the research I will be submitting for the hearing record which shows that more productive trucks not only save fuel and keep transportation costs down, but can be operated safely and compatibly with other users of the highways, while actually prolonging the life of our highway pavements and bridges.

By "more productive trucks" I mean vehicle combinations that are longer and operate at higher gross weights. Length and gross weight, together with width, are the factors that control truck productivity. They determine how much freight can be handled in one movement. And with the increasing freight demand, our choice is either to put more trucks on the highway or to make each truck more productive.

Length, gross weight and width, on the other hand, do not affect the life of our highway pavements. Pavement life is affected by axle weights and axle spacings. The axle weight limits of 20,000 pounds single axle, 34,000 pounds tandem axle, and the use of federal Formula "B" provide all the protection our Interstate and federal-aid primary highways need and were designed for. Our bridges are likewise properly protected by Formula "B."

Despite these safeguards, current federal law stifles truck productivity in two ways: through an arbitrary cap of 80,000 pounds gross weight and through adverse interpretation of the grandfather clause by the Federal Highway Administration. Greater gross weights can be safely accommodated under Formula "B" through increased length and number of axles. The use of Formula "B" without a cap on gross weight was supported by the U.S. DOT when the federal law was last amended. The 80,000-pound limit is purely arbitrary and stifles productivity.

Currently, many states in the West allow the operation of more productive trucks--longer combinations with gross weights higher than 80,000 pounds--on the Interstate highways through the issuance of special permits under provisions of state law which were in effect on July 1, 1956, the grandfather date in the federal law. Testimony on the Senate floor at the time of last amendment clearly shows that the grandfather clause specifically contemplates these types of operations. Yet FHWA interpretations of the grandfather clause have challenged the operations of these more productive trucks and have even refused to accept interpretations of state laws by several attorneys general and by the Supreme Courts of the State of South Dakota and my own State of Montana. Again, needed productivity has been stifled under current federal law for reasons unrelated to the protection of the federal investment in our highways.

These current limits on truck productivity also reveal what changes the Western motor carrier industry would welcome in the federal law. Protection of the highways through current axle weight limits and Formula "B" should be retained, but the arbitrary 80,000 gross weight cap should be lifted so that Formula "B" may control gross weights. If any vehicle combination length limits are to be added to the federal law, they should be minimums only so that the Western States may continue to enjoy the productivity of longer combinations. And the grandfather clause should be retained and strengthened so that local and regional industries which rely on greater sizes and weights may have continued vitality.

The Western motor carrier industry has set out its objectives for western regional sizes and weights in three tiers. The first tier is a set of minimums for vehicles in regular operation to provide for a basic flow of interstate commerce. These include current axle weight limits and Formula "B." The second tier sets minimums for operation of vehicles under special authority on designated highways. This second tier allows the more productive trucks I have been speaking of to meet regional transportation needs. The third tier contains special permit authority and a grandfather clause to cover those movements outside of the first and second tiers.

The changes in federal law which I mentioned and the analytical framework of Western size and weight objectives which I outlined are compatible with the size and weight policy of the American Trucking Associations, Inc., which has been presented to you at other hearings. Briefly, the ATA policy first protects the highways through axle weight limits and Formula "B," then sets national minimums on gross weight and vehicle combination lengths, and finally adds a strengthened grandfather clause. The legislative adoption of the ATA size and weight policy as a whole would solve many Western transportation problems. The key, again, to the West is the lifting of arbitrary limits on productivity.

I have mentioned that these more productive trucks are already in operation in many of the Western States. That operational experience, as detailed in the records of motor carriers and state officials, together with the research and actual field testing of WHI are summarized in the materials I wish to submit for the record. First is a narrated slide presentation entitled "Loads and Roads," which gives a technical explanation of how Formula "B" allows longer combinations at higher gross weights. Next, a computer study of the effect of four different truck combinations on four types of common bridges. It shows that more productive trucks have less impact on bridges than the common 5-axle tractor-semitrailer. Third, a study WHI performed for the TRED Foundation on the Western regional size and weight objectives. It is the most comprehensive study ever done on more productive trucks and covers their braking, stability, fuel economy, offtracking, handling, safety--every aspect of technical performance. Finally, a 22-minute film report on WHI testing, entitled "More Productive Trucks," so you can see the actual work that has been done by WHI in this field.

Both research and experience support the use of more productive trucks. The West relies on them, and increasing freight demand requires them. Only a change in federal law will allow their full use.

Thank you.

ANSON & SWENEY
ATTORNEYS AND COUNSELLORS AT LAW
SHOSHONE BUILDING
P.O. BOX 416
WALLACE, IDAHO 83873
—
(208) 556-1134

EDWARD J. ANSON
RICHARD WAYNE SWENEY

COEUR D'ALENE OFFICE:
307 ELDER BUILDING
402 SHERMAN AVENUE
COEUR D'ALENE, IDAHO 83814
(208) 664-1504

July 31, 1981

The Honorable Steve Symms
452 Russel Senate Building
Washington, D.C. 20501

RE: Testimony of Edward J. Anson before the Transportation Subcommittee of the Enviroment and Public Works Committee, United States Senate, to be held August 15, 1981, at Boise, Idaho.

Dear Senator Symms and Members of the Subcommittee:

The Interstate Highway System is the largest public works project ever attempted by mankind. The project called for the construction of a 42,500 mile network of expressways connecting the principal cities and industrial centers of the nation. The purpose of the system was both to serve an important function in the national and civil defense, and to promote and facilitate interstate commerce. Today all but 1,547 miles of the system has been completed at a cost of over 78 billion dollars. With this degree of completion the initial goals of the system have been fullfilled.

My background is that of an attorney at law residing in Wallace, Idaho. As you are aware, Wallace is the site of a 1.7 mile gap in the interstate highway system. The City of Wallace is located in a narrow mountain valley in Northern Idaho. Not only is the community steeped in history, but virtually the entire downtown area of the city is included within a national historic district. The fact that a gap remains in the interstate system at Wallace is not by chance, but it is due to the fact that it is nearly impossible to construct a four lane interstate highway through our narrow valley without destroying the community.

The proposal to construct an interstate highway through Wallace has been under consideration for over twenty years. My involvement in that proposal has been as an active participant in the restudy of location selection and enviromental assessments that commenced during 1978. I would like to draw upon my experience as an attorney and participant in one particular location alignment selection process to express my thoughts on the general issue of whether or not the remaining portions of the interstate highway system should be completed.

The short answer is neither a direct yes nor no. In my opinion there are serious shortcomings in the present process, both as formally legislated and promulgated and as less formally practically applied, that justify reconsideration and change. I shall attempt to articulate areas of problems and suggest a framework for solutions.

POLICY

The interstate highway system was conceived for purposes of defense and commerce. As stated earlier, these goals have been virtually fullfilled. With Wallace and Interstate 90 as an example, the difference between having a four lane expressway run directly between Boston and Seattle, and one that has a 1.7 mile gap in Wallace is to all practical effect non-existent. However, as interpretted by the Federal Highway Administration and the various state counterparts, both the Federal Highway Act of 1956 and the amendatory language of 1976 as contained in Public law 94-280 are construed to contain a Congressional mandate to complete the system. At the administrative level today the decision as to whether or not to complete a section of interstate highway is not made on the basis of whether there is any compelling reason to construct the portion, but rather within the framework that to fullfill Congressional intent the portion shall be constructed absent overwhelming and extraordinary factors.

LOCAL CONCERNS

The concerns of the local population and their enviroment as it may be affected by construction of a portion of interstate highway is addressed by the relevant federal highway and enviromental legislation. With perhaps some extraordinary exceptions, local concerns such as air, noise, and water pollution, destruction of natural and urban resources, aesthetic values, community cohesion, displacement of people, businesses, farms, and public services, and disruption or curtailment of growth and development, must be studied, consdered, and cost-effectively minimized; after which time they may be, if not directly ignored, outweighed by the philosophy of completing the interstate highway system for the mere sake of completing the system. Whether such completion is necessary, and whether such necessity outweighs adverse impacts upon a local area are not standards in effect today. Local concerns and impacts are on an equal footing with the needs of interstate commerce so long as they are practical, suitable, and feasible with the completion of the system.

The philosophy of building the system at virtually all costs may well have been rational during the height of the Cold War Era when there was over 42,000 miles of highway to either construct or integrate within the system. For the most part, one may view the remaining 1,500 mile gaps in the system as being those areas most difficult to construct in a manner to co-exist with the natural or urban setting, as well as being areas of lowest priority in terms of defense and transportation needs. Wallace is again an example of presenting an extremely difficult problem for designing a highway that does not destroy the values of a community, as well as having comparatively low traffic volumes. These final miles may well be the most difficult to design and construct and least justifiable in terms of transportation needs. The philosophy and Congressional mandate that applied in 1956 should not apply today.

THE DECISION MAKING PROCESS

I submit that highway departments are predisposed toward the construction of new highways. It is often their initial reason for existence. The initial assessments and preliminary studies involved in the decision making process are often prepared by consulting firms who are inevitably highway design and engineering concerns. All preliminary studies and evaluations of the Wallace project were prepared by De Leuw, Cather & Company, one of the largest highway engineering and planning firms in the nation. On the basis of their studies the state and Federal Highway Administration will make the build/no-build decision. Without in any way meaning or attempting to impeach the credibility of any particular individuals, in effect the decision making process is that of highway builders hiring highway builders to determine whether or not a highway should be built. It appears that if the build decision is made, the consulting firm may well become the engineering firm that designs the project. The inherent conflicts of interest and bias influence the decision making process. It is not only rare, but extremely rare, that a highway builder determines that a highway should not be constructed. Any judicial review of a build decision deemed adverse by local population is generally subject to the arbitrary or capricious standard. As such, from the viewpoint of the local population, the inherent unfairness in the decision making process is basicly unreviewable.

DESIGN STANDARDS

An interstate highway is more than just a simple road that connects one point to another. Congress has mandated certain design features with the bulk of design standards being promulgated by the Secretary of Transportation. Congress has further directed that all design standards apply uniformally throughout the nation. This provision has been interpreted to require a Congressional variance for any deviation from interstate highway design standards. As applied, the issue of design standards can lead to the triumph of form over substance.

The Wallace project involved an analysis of numerous and sometimes ridiculous interstate highway standard alignments as well as the legislatively demanded consideration of a "no-build" alternative. The local population consistently raised suggestions for alignments and designs not meeting full interstate standards. These suggestions ranged from less than standard partial interchanges, to slower design speeds, to a two-lane highway, to an at-grade intersection with traffic control devices. To meet the objectives of moving traffic around Wallace in a cost-efficient, safe, and uncongested manner without undue disruption and destruction of the community, all of the suggestions were viable and practical. The decision making process was limited, however, to a consideration of only interstate standard alignments and the "no-build" alternative. Thus, practical solutions were ignored as a matter of form while two core full interstate alignments were studied along with impractical and occassionally ludicrous additional full interstate alignments. The consideration and subsequent elimination of irrational full standard alignments cloaks an otherwise questionable full standard alignment in the aura of reasonableness. Unfortunately, some of the most reasonable alternatives were precluded from consideration.

There are clearly purposes to be met by having uniform design standards for interstate highways. These purposes were important twenty-five years ago when the entire project was commenced. Today we are in the final stages, the fine-tuning and finishing touches of a mammoth undertaking. The areas left are for the most part the most difficult areas. The general rules should become flexible. With 41,000 miles completed, what real purpose is served in blindly applying standards that are incompatible with certain unique settings. When attempting to design a highway through one of the final exceptional areas, exceptions to the general design standard should be considered and put into effect without requiring individual Congressional variances.

COST AND MAINTENANCE

The first 41,000 miles of the system cost 78 billion dollars to complete. The last 1,547 miles will cost in excess of 20 billion dollars. The cost of these final miles is virtually incomprehensible; project costs of the 1.7 mile gap in Wallace range between 50 to 83 million dollars.

There have been numerous reports in the media of the deteriorating condition of large portions of the existing interstate highway system. Maintenance costs are not only high but funding does not appear to be as available as funding for new construction. Highway departments further appear to prefer to build new highways rather than perform maintenance and repair. This past January the Director of the State of Idaho Transportation Department stated that the department should resurface 774 miles of roads per year to keep up with the rate of deterioration; however, this fiscal year only 220 miles will be resurfaced and next year the department may only resurface as few as 50 miles. There is a stage in a highway's state of disrepair when the highway is said to fail. When failure occurs the cost of repair triples. Existing highways are allowed to fail while funds are ear-marked for new construction.

RECOMMENDATIONS

I respectfully submit the following recommendations:

1. The decision to build or complete the Interstate Highway System should be made on a case by case or section by section basis. Without having direct knowledge of the circumstances surrounding all areas of the system not yet completed. I am not able to state that all such portions should not be constructed.

2. Congress should repeal or clarify any statutory language that has been construed as mandating completion of the system for the purpose of completing the system. I suggest a restatement of Congressional intent, with the articulated intent being that the decision to complete any remaining portions of the system shall be made on the basis of a balance of the degree of necessity in completing the particular portion as against the adverse impacts of construction. Factors to be considered in determining the degree of necessity would include traffic volume, the extent to which the portion serves the interest of national and civil defense, and the degree to which existing facilities meet transportation needs. Factors to be considered in weighing the adverse impacts of construction would be cost and those items of local concern stated above. In the event that the adverse impacts outweigh the degree of necessity in construction, construction should not be completed.

3. The balancing process stated above is flexible and its potential for success is to a large extent dependent upon the individuals making the decisions. The Department of Transportation and the Federal Highway Administration has the expertise to design highways; for the reasons stated above I question their ability to make the balanced judgments affecting local concerns. I suggest that the initial process be through the Transportation Department with review of the build/no build decision to a different department of government, for example the Department of Interior. This

cross-department review would be in the nature of a trial de novo, in which the whole matter would be determined as if no determination had been made by the Department of Transportation. With this decision making process judicial review of the independent department decision could remain at the arbitrary and capricious standard. The advantage of this system is that it would give the Transportation Department the initial opportunity of resolving all of these completion decisions on a case by case basis. However, a re-determination of protested decisions to a different department would acknowledge the implicit prejudice in favor of construction found in transportation departments. This is not to say that such bias is wrong, but merely that it should be recognized and addressed.

4. When considering completion of these final portions of the interstate system, the design standards should be made flexible. The standards in use today should be deemed only advisory and when considering expressway alignments through exceptional settings the standards should not be strictly and rigidly applied. During the analysis stage both standard and non-standard configurations should be considered. Decisions of whether a standard or non-standard route should be adopted should be made on the same balancing scale.

5. A factor in the decision making process should be cost benefit comparisons between construction of a portion of the system as against improved maintenance and repairs of existing portions of the system. For the most part, funding priority should be given to the maintenance and repair of the existing system. Under virtually all circumstances existing highways should not be allowed to fail due to funds appropriated for construction of the remaining portions of the system.

CONCLUSION

I would like to thank you for the opportunity to express my thoughts on these matters. I submit that these last miles of the interstate system are predominantly different in the terms of priority and adverse impacts than the vast majority of the system constructed to date. The rules that applied to the first 41,000 miles should not be wed in concrete and inflexibly applied to these final portions. The City of Wallace may well become a victim of the rigid application of a process that is no longer necessary, justified, or applicable. If the suggestions that I have outlined above were applied to the Wallace project, the decision to complete the 1.7 mile gap may well have been made, but I am confident that completion would not be that of a full standard design expressway.

Respectfully Submitted,

Edward J. Anson

EJA/jdc

ADA COUNTY HIGHWAY DISTRICT

CHARLES L. WINDER, PRESIDENT
KARL JEPPESEN, VICE PRESIDENT
LAWRENCE C. JACKSON, SECRETARY

318 E. 37TH STREET
BOISE, IDAHO 83704
PHONE: 384-4050

August 17, 1981

Honorable Senator Steve Symms
Subcommittee Chairman
Senate Transportation Committee
% Sam Routson
452 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Symms:

We appreciate having the opportunity to comment to the Senate Transportation Subcommittee on the proposed Federal Highway Funding legislation. As you know, the Ada County Highway District is responsible for the construction and maintenance of all public rights-of-way in Ada County with the exception of Interstate and portions of the State Highway primary system.

We are currently receiving Federal Aid Urban Secondary Bridge Replacement and Rehabilitation and Safety Program funding. We totally support your efforts to maintain these funding sources through 1986. In the past, the Federal Government has been very short sighted in starting Federal Aid programs to urban areas and when these programs finally begin to show some positive benefits, the programs are terminated. This would be the case if the Administration's proposed bill is passed and Urban Secondary Systems Funds are curtailed after 1982.

The Ada County Highway District has been participating in this program since its beginning and has spent innumerable amounts of time and monies participating in the Federal process in order to qualify for the Urban and Secondary monies. Through this process we have identified a number of projects which we were finally completing the location and environmental phase of this only to find the possibility of no Federal Aid funding to construct them. To date we have identified $40,000,000 worth of projects which are desperately needed and Urban D funds are planned for at least a part of the financing of these projects. If funding is curtailed as proposed in the Administration's bill, past planning efforts will prove futile.

Ada County has approximately 190 concrete steel or wooden bridges that qualify for Federal funds. Thirteen percent of these bridges need immediate attention, with a current construction and re-construction cost in excess of $6,000,000. We therefore, wholeheartedly support your efforts in continuing the Bridge Replacement and Rehabilitation Program.

As I stated above, the Ada County Highway District also participates in the Safety Program and this has enabled us to eliminate several high accident locations through the installation of traffic control devices.

There are still many improvements to be made and we support your efforts to continue this program also.

The Highway District maintains a Ridesharing Office which operates a carpool matching program and a vanpool program which has been funded through the Urban Systems Program. We strongly support continuing a Ridesharing Program, but recommend that funding of this should be set up in a block grant specifically identified for ridesharing rather than having it compete for funding with those projects which have previously been indentified for Urban Systems funding.

The Ada County Highway District supports the Senate's and your efforts to pass a multi-year bill which leaves the existing categories of Urban, Secondary, Bridge Replacement and Rehabilitation, and Safety funding intact at least through 1986, and hopefully far into the future.

If you or your Committee need any further information or clarification of any of our points, we will be more than happy to provide them.

Sincerely,

ADA COUNTY HIGHWAY DISTRICT

Charles L. Winder

Charles L. Winder, President
Board of Commissioners

CLW:GRF:as

4398

ADA PLANNING ASSOCIATION
650 Main Street
Boise, Idaho 83702
(208) 344-7600

August 21, 1981

AUG 24 [illegible]

Honorable Steve Symms
United States Senate
Chairman
Subcommittee on Transportation

Dear Senator Symms:

As local elected officials here in Ada County, Idaho, we are pleased to have this opportunity to submit written testimony on the pending legislation concerning the Federal-Aid highway program.

The recent development and growth opportunities experienced in Idaho's most populous county has been directly influenced by the availability of Federal Aid Highway funds. By keeping pace with one of the Nations fastest growing urban areas, the Federal Aid Highway program has helped maintain the high quality of life our residents currently enjoy.

Following are the five (5) areas of concern we would like considered in your deliberation of the Federal Aid Highway Program:

1) It is important that the Federally collected Highway users' taxes continue to be made available to urbanized areas where a vast majority of total travel and income occurs. Our local and state Highway agencies are limited in funding resources by the voters mandate to reduce the burden on local property taxes. The Highway users' fund has proven to be a most effective means of financing these necessary urban highway needs at no additional increases in Federal income taxes or local property taxes.

   As local governmental officials, we would support the continuation of the Federal Aid Urban Program.

2) The federal interstate system was initially conceived as a Defense Highway program to meet national defense or military needs.

   The construction and maintainance of that system has been paid for through the Highway user's trust fund, the majority of which is collected from Urban travel.

   At a time when local governments are feeling the pinch of reduced revenues, and military spending is increasing, it would seem appropriate to use Military budget resources to complete the interstate system and participate in the cost of maintaining that system.

3) We applaud your efforts in simplifying the Federal aid system and reducing substantially the number of specific grant programs. This change will give local and state governments additional flexibility and less restrictions affecting the use of Federal Aid Highway funds.

4) As urban transportation issues continue to dominate our efforts in meeting local comprehensive plan objectives, it is becoming increasingly apparent that the Federal provisions for funding ride sharing (carpools and vanpools) is a most cost effective program. We would whole-heartedly support the continuation and increases in that program.

5) Although mentioned briefly in the subcommittee's draft bill S.1024, we continue to strongly support the involvement of local elected officials in the Transportation Planning Process through the designation of Metropolitan Planning Organizations (MPO's) and financial assistance through planning funds provided for in the ACT.

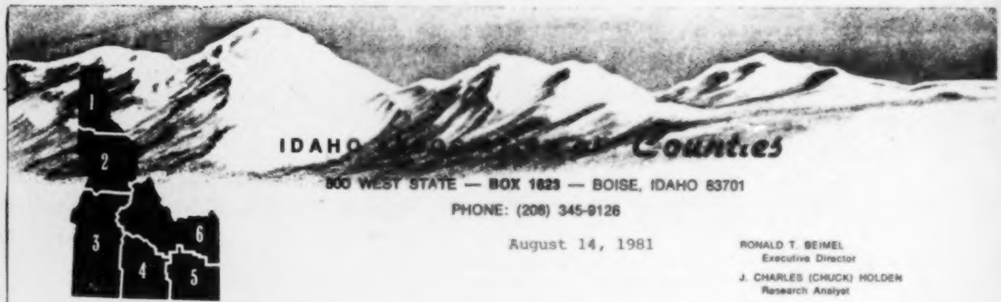
Thank you again for this opportunity to comment on this vital legislation concerning the Federal Aid Highway System and the use of Highway Trust Fund monies.

Sincerely,

Jeppesen

Karl Jeppesen
Chairman

KJ:EO:jb/691.01



IDAHO [illegible] Counties
500 WEST STATE — BOX 1823 — BOISE, IDAHO 83701
PHONE: (208) 345-9126

August 14, 1981

RONALD T. BEIMEL
Executive Director
J. CHARLES (CHUCK) HOLDEN
Research Analyst
MIKE SWALLOW
Personnel Consultant
HARRIET WALTERS
Administrative Assistant

The Honorable Steve Symms
United States Senator
Chairman
Subcommittee on Transportation
4204 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Symms:

We greatly appreciate being able to voice our concerns about the proposed highway legislation, S 841 and S 1024.

The Idaho Association of Counties favors continuing the Bridge Replacement and Rehabilitation Program as many of our bridges here in Idaho are in dire need of either extensive maintenance or replacement. At present, Idaho ranks 7th in the nation in structurally deficient bridges but only 39th in the funding level for bridges. We support the increasing of funding available for the discretionary program and expanding the overall bridge program in order to improve local determination.

As for eliminating funding for the Secondary and Urban Programs, are there simultaneous plans to reduce the federal portion of the fuel tax so that states would be able to receive a greater share of the combined tax on fuels without increasing the total tax? If this is not done then the removal would be of no value to state and local governments because they would have to cope with "federal intervention and local funding." We would support a reduction in the Federal fuel taxes so that the money that would be available from this reduction could be used as local discretionary taxation without increasing the total tax burden on the Highway Users Fund in Idaho.

We appreciate and thank you for your time and consideration in this matter.

Sincerely,

Ronald T. Beimel
Executive Director

Anthony Poinelli
Transportation/Local Government Specialist

RTB;AP/jh

STATEMENT OF
MR. CLIFFORD SHOEMAKER
UNION PACIFIC RAILROAD

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on
S. 841 and S. 1024

Senate Commerce, Science
and Transportation Committee

Subcommittee on Transportation

August 15, 1981
Boise Field Hearing

STATEMENT OF
MR. CLIFFORD SHOEMAKER
UNION PACIFIC RAILROAD

Mr. Chairman, and distinguished members of the Subcommittee. I am Clifford Shoemaker, Crossing Engineer, Union Pacific Railroad Company, Omaha, Nebraska. I am pleased to provide this statement with respect to S. 841 and S. 1024, authorization bills for the Federal aid highway program. I recognize that this Subcommittee must necessarily consider a number of significant and related highway issues. I further understand that the railroad industry has been able to provide this Subcommittee, both in field and Washington hearings, appropriate position statements which include to date support of amended legislation to provide that railway bridges over highways be eligible for the special bridge replacement program and support for continuation of Section 163 projects under the 1973 Highway Act.

Accordingly, I will limit my statement to the important matter of highway grade crossings. As Union Pacific Crossing Engineer, I am deeply involved in this matter.

Congressional recognition that the cost of installing and maintaining rail-highway grade separations and crossing signal devices is a public responsibility, and should be financed by public funds, was embodied in the passage of the Highway Safety Acts of 1973 and 1976 and the Surface Transportation Assistance Act of 1978.

This important legislation, which specifically established and separately funded the highway grade crossing program, represented a successful and cooperative response to the alarming increase in crossing fatalities during the 1960's. Between 1974 and 1980, the exposure at grade crossings (a function of the frequency of train and motor vehicle movements) increased 8%. In that same period, however, crossing fatalities decreased 38%. The absolute number of fatalities decreased from 1128 in 1974 to 704 in 1980. Clearly, then, the program is a success, although much remains to be done.

There are some 220,000 public highway-railroad grade crossings in the United States. In 1972, the Department of Transportation, in a report to Congress, recommended that a 10-year program be initiated to improve safety installations at over 30,000 identified highway-rail grade crossings. The enthusiasm and dedication with which local and state officials have responded is encouraging. However, at a level of 3,000 improvements annually, the safety improvement program in place today would require at least another 5 years to meet the DOT program objectives. I recognize, of course, the many difficult spending decisions that Congress must make in today's difficult times, and I recognize that programs of poor or marginal performance must, and will, be set aside.

Yet, reviewing the demonstrated success of the highway-rail safety program, I join with other industry spokesmen who question the Administration's approach in S. 841--elimination of the program. S. 1024, as others have also indicated, does not go quite so far in combining in one category the crossing program with other safety programs and provides over a 5-year period a total of only $350 million for programs that are essentially funded at an annual level of $400 million.

As you are aware, the railroad industry has expressed its support for continuation of the rail-highway grade crossing improvement program category at a level of $200 million per year. I add my voice to that support. Continuation of the program at the $200 million level is, however, a minimum commitment required. Without categorization, an effective crossing program would not have been initiated. Without categorization, continuation of an effective crossing program would likely not be possible. Categorization provides a carefully identified funding resource in support of grade crossing improvements on a priority basis. The states do, however, have flexibility. Under the current program, up to 40% of the categorized funds may be transferred to other programs, provided a state has completed its improvements or considers other matters to be of greater urgency.

As you are aware, the rail industry generally agrees that a county-by-county, city-by-city approach to the grade crossing problem does not work. A program of national scope, in which the railroad industry can and will participate, is essential to the success of our industry efforts.

Grade crossing safety improvements, which may require six months to three years from initiation to completion, do, of course, require the continuing cooperative efforts of private industry, state and Federal decision-makers. Where obligations to make improvements exist, those improvements are made by the industry. However, most grade crossing improvements are not an obligation the railroads could or should assume, although the railroads do provide significant financial assistance under the current program. All of the initial capital costs are met by the railroads. Yet, reimbursement is delayed anywhere from six months to three years. With an annual program of $190 million and interest rates at 20%, the railroads are making a substantial contribution in financing costs alone. Union Pacific Railroad estimates an annual loss of about $300,000 in unrealized interest due to bearing the "front end" costs of this program. Beyond the capital costs, however, the railroads assume most of the maintenance responsibilities of devices--a figure now running in excess of $100 million per year in the industry. For Union Pacific, those costs are about $840,000 per year.

Additionally, the railroad industry, in cooperation with the National Safety Council, actively supports the highway/railroad crossing safety program entitled, "Operation Lifesaver". This program is for the most part accomplished with railroad funding and is an integral part of the overall crossing improvement effort. As a matter of information, this program was initiated in 1973 by the Union Pacific in the State of Idaho and has since been adapted in many other states and by numerous other railroads in an effort to complement the physical improvements being accomplished under the Federal aid crossing program.

Such figures illustrate the joint and cooperative commitment that the current highway-rail grade crossing program represents. The recognition, which I earlier emphasized, that the cost of installing separations and warning devices is a public responsibility and should be financed with public funds, was a sound Congressional and public policy when it was adopted in safety legislation in 1973, 1976, and 1978. That sound policy deserves the continuing commitment of this Subcommittee.

Testimony of Byron L. Geuy, Western Highway Institute
Before the Hearing of the Transportation Subcommittee
of the Senate Public Works Committee, Boise, Idaho
August 15, 1981

Western Highway Institute is a non-profit corporation established in 1947. It is a research, engineering and coordination agency without political function serving the organized motor carrier industry in the thirteen western states, the four western provinces of Canada and the Yukon Territory.

Western Highway Institute has been testing and researching more productive trucks for over three decades. About fifteen years ago, it was concluded that these efforts be directed specifically toward truck combinations which are created by adding another trailer unit to an existing commonly used truck configuration. The four basic combinations thus created which received most of our attention were: (1) Turnpike doubles which resulted from adding another 40-foot trailer to the very common 55-foot truck tractor-semitrailer combination; (2) Rocky Mountain doubles, made by adding a 27-foot box to the 55-foot tractor semi; (3) Triple trailer combinations resulting from the addition of another 27-foot trailer to a conventional 65-foot twin trailer combination; and (4) Truck-trailer or truck-trailer-trailer combinations made by adding a long trailer to a full truck or another trailer to a truck-trailer combination, such as the Stinger steered auto transporter with a second semi trailer.

These are immediate ways to increase the productivity of truck combinations by 50 to 100 percent. Theoretically, the number of trucks on the highway needed to carry an equal amount of goods would be reduced 50 to 100 percent. And, carrying it further, the accident exposure index would be reduced correspondingly.

However, the figures may be misleading because the productive truck configurations selected by WHI for extensive study had to be safe and be compatible with other highway traffic and with the highways over which they would travel. This meant axle loads and gross loads which would not unduly overstress pavements and bridges; operational characteristics such as braking, power, traction, stability, maneuverability, acceleration and splash and spray emissions which were safe and compatible; strict operational procedures to govern speed, loading, safety inspections and other controls; and last, but not least, stringent driver qualifications.

Thus, the more productive truck researched by Western Highway Institute evolved into a multiple trailer combination, commonly called a "long combination," operated under a revocable permit which specified allowable routes of travel, certain equipment components, loading practices, driver qualifications, operational characteristics and other conditions which would result in a highway operation as safe as or, as it has turned out, safer than other trucks using that highway. But, because of these restrictions imposed upon the operation of these more productive trucks, not every truck operator can qualify nor is every type of commodity hauled physically or economically compatible with the restrictions imposed to protect pavements and bridges. But there still remains a tremendous opportunity to reduce accident exposure and save fuel by operating these long combinations wherever practical or feasible.

As the results of the research studies conducted by Western Highway Institute reveal, productivity, economy, safety and compatibility were not the only basic criteria considered. Fuel economy also received considerable attention long before recent events emphasized its importance. More productive trucks, in the WHI research concept, should produce savings in all the areas related to their use. And the more productive truck combinations operated under guidelines developed by Western Highway Institute meet these objectives.

Intercity freight, one of the principal factors contributing to our nation's vigorous growth, is a large part of the total freight moved by motor carriers. In 1975, a total of 590 billion ton-miles of freight was hauled by motor carriers. 450 billion ton-miles of this was intercity freight. By 1990, if we still have fuel, total motor carrier freight is expected to increase to just under one trillion ton-miles, of which nearly 90%, or 880 billion ton-miles, will be intercity freight. Unless highway freight vehicles become more efficient, nearly 20 billion gallons of fuel will be required just to haul intercity freight in the year 1990.

Nationally, 70% of all fruits and vegetables travel by truck, 80% of meat and dairy products, 70% of clothes and wearing apparel, 76% of furniture and fixtures, 85% of paper and allied products, 80% of fabricated metal products, 75% of industrial machinery -- on and on -- are shipped by highway. In fact, from field to factory, from mill to store or at some stage in the distribution of goods, practically 100% of all goods transported by any of the various modes travel by truck during part of their journey.

The need to continue a strong vigorous highway transport system has long been recognized. Studies and tests to develop a more efficient highway truck have been underway for several years by both industry and government. Air drag reduction devices, smooth side trailers, radial tires, thermostatic fans, high torque engines and many other developments are succeeding in producing a truck which is more energy efficient. The goal seems to be a 25% reduction in fuel consumption which appears to be attainable when the percent of improvement found in each separate device or system are all added together in their entirety. However, they are not fully additive, and a more practical goal of 15-20% seems to be accepted. In addition, the gains made are constantly being reduced by government vehicle standards for emissions, noise, temperature, vibration, and other truck-related equipment and operating procedures until any significant reduction in fuel consumption seems to be still around the corner.

Yet there are some immediate answers. Answers which do not require dramatic and very costly conversion to new equipment or adding expensive accessories to existing equipment. Answers which can utilize existing equipment yet reduce the number of highway freight vehicles required to meet our nation's needs. Answers which will increase the energy efficiency of new vehicles by the same percentage as old vehicles. Answers which will increase productivity, provide additional benefits in safety and in operating efficiency, all with little or no increased impact on highway pavements and bridges. In fact, under certain controlled conditions, highways and bridges will be less affected than they are by existing highway freight loads.

The answers, of course, are the highly productive highway freight combinations commonly called longer combinations. They are presently authorized in seven western states and are undergoing operational tests in the states of New Mexico and South Dakota. Longer combinations have been operated successfully on eastern toll roads, in the Canadian province of Alberta and on the Kansas Turnpike for many years with enviable safety records.

Exhibit 1 of the several exhibits which will be submitted to the committee shows the western regional size and weight objectives approved and recommended by the western highway transport industry. Included among the minimum western regional objectives pertinent to longer combinations are the following:

Width: 102 inches. A six-inch increase in width from 96 to 102 inches will greatly increase efficiency. Standard 96-inch wide materials such as plywood or other dimension products which add to 96 inches, including pallets, will not fit inside a 96-inch wide truck or trailer since the 96-inch limit is on the outer dimension, not the inside dimension. Trucks and trailers 102-inches wide will decrease the number of trucks required and will reduce accident exposure correspondingly. The additional three inches on each side of the vehicle does not decrease its safety, but actually should increase it by providing greater stability and more space for brake components. Fuel savings will average close to 17 or 18% for both cube limited and weight limited configurations.

Length: 105 feet. The additional length created by adding another cargo unit is where the real increase in productivity is found. When operated under the rules and regulations recommended by Western Highway Institute, no appreciable adverse safety effect has been found resulting from the additional length. The triples averaging 95 feet in length can negotiate even tighter turns than can the conventional 55-foot long tractor-semitrailer combination and can stop in a stable condition in shorter distances. Extra length has been proven to be an aid to stability. The safety record of longer combinations is consistently better than any other truck configuration.

Weight: 20,000 pound single axles, 34,000 pound tandem axles and 105,500 gross controlled by a bridge formula. Federal studies and recommendations call for a 105,500 pound gross weight allowance on a 60-foot wheelbase. Longer combinations spread their load over a much greater distance thus reducing the effects of the load. The 105,500 pounds also is imposed on more axles on the longer combinations resulting in lighter axle loads which further benefit the highways.

Equipment: Some special specifications are required such as fast air transmission and release valves, no-slack pintle hooks, stiff suspension systems, etc. Loading sequences also are specified.

Drivers: Certain driver qualifications are imposed to insure the competency of those who drive these multiple trailer combinations.

Exhibit 2 is a copy of Western Highway Institute's model rules and regulations recommended for the operation of longer combinations.

These western regional objectives probably sound familiar. The 102-inch width, the 20,000-pound single and 34,000-pound tandem axle weight and the 105,500-pound gross combination weights were first recommended 15 years ago by the U. S. Bureau of Public Roads in the 1964 report to Congress entitled "Maximum Desirable Dimensions and Weights of Vehicles Operated on the Federal-Aid Systems." These applied to all federal-aid systems and not just the Interstate System. This report states that truck length when uniformly loaded in accordance with the bridge formula is unlimited. It also comments favorably on the performance and safety of turnpike doubles with lengths of around 100 feet.

A 1979 Federal Highway Administration report, "Review of Safety and Economic Aspects of Increased Sizes and Weights," supported the recommendations found in the 1964 report and stated further that longer combinations might enhance service to smaller communities because of their flexibility.

Since then there have been many studies, both state and federal, which have validated the safety, economy and practicability of increased sizes and weights in magnitudes even greater than those in the recommended western regional size and weight objectives. A recent National Cooperative Highway Research Program report dated February 1979 and entitled, "State Laws and Regulations on Truck Size and Weight", provides more than enough data to justify the increased sizes and weights recommended in the western transport industry's objectives. The report, published by the Transportation Research Board and sponsored by the American Association of State Highway and Transportation Officials in cooperation with the Federal Highway Administration, states, "there is no evidence that vehicular gross weight, by itself, has any adverse effect on highways or highway traffic, provided some basic requirements are met on the way this weight is transferred to the highway surfaces and bridges." Longer combinations can meet these basic requirements. The report goes on to state, "Total vehicle length does not appear to pose any real problems on multi-lane highways, at least under most weather conditions, provided basic requirements can be met with respect to offtracking, braking, stability and swaying, and other aspects of vehicle control." Longer combinations can meet these basic requirements. The report further verifies previous studies which show that a fuel savings of around 27% can be achieved with longer combinations.

In summary, then, it is evident that increased sizes and weights are economically desirable and technically practical. The minimum western regional size and weight objectives studied, tested and developed by Western Highway Institute over the past 32 years will produce enormous economic benefits, save a considerable amount of precious fuel while at the same time upgrading the safety and operational characteristics of large highway freight combinations.

FEDERAL-AID HIGHWAY ACT OF 1981

MONDAY, AUGUST 17, 1981

U.S. Senate,
Committee on Environment and Public Works,
Subcommittee on Transportation,
Seattle, Wash.

The subcommittee met at 10 a.m., in the New Federal Office Building, Hon. Steve Symms (chairman of the subcommittee) presiding. Also present: Hon. Slade Gorton.

OPENING STATEMENT OF HON. STEVE SYMMS, U.S. SENATOR FROM THE STATE OF IDAHO

Senator Symms. Good morning. We are here today to talk about our Federal highway system and what in this area our unique problems are. I think most of you who are here are familiar with the highway needs of this country. The 5 percent of our country's Interstate System which remains to be completed will cost $54 billion.

According to a Department of Transportation study, over 10 percent of the country's interstate needs major rehabilitation immediately. Over 90 percent of the primary systems rural areas will need resurfacing in the next 15 years. Ninety-five percent of the secondary system will need reconstruction during the same 15-year period. It will cost $33 billion to replace or rehabilitate all of the deficient bridges in this country.

The financial implications of highway construction and the deterioration of our Federal highway system are staggering. At the same time we are now witnessing a decline in the revenues coming into the highway trust fund. For the first time in 20 years trust fund dispersions exceed receipts in 1980. This will again occur in 1981. While faced with declining revenues in the highway construction trust fund, we are faced with major increases in the costs of highway construction.

The first quarter's results for 1980 show that the Federal Highway Administration's cost and index for highway construction costs at 160 percent of 1977 base line. The last decade, which has seen an increase in Federal environmental construction standards with which the State and local governments must comply. The Department of Transportation estimates that it now takes an average of 9 years from the initial planning of a project to the beginning of construction work. Such delays obviously add tremendous cost to construction and maintenance of the highway system.

I might just say that it would be my intention this morning to receive as many witnesses as we can until 12 noon and then we will break for 1 hour, commence at 1 p.m. with our target of adjournment to be 3 p.m. We will hope that the witnesses will be able to present their statements as best they can, and I would just say to all of the witnesses that your entire statement will be printed in the record, and if you can keep it within 5 minutes, it would be appreciated. Then we will have time for some questions on specific points.

Now I would like to yield to Senator Gorton.

OPENING STATEMENT OF HON. SLADE GORTON, U.S. SENATOR FROM THE STATE OF WASHINGTON

Senator **Gorton**. Mr. Chairman, Steve, I am delighted to welcome you to the State of Washington, both as the chariman of the Transportation Subcommittee and as a new and valued friend. I am delighted that you have included Seattle on your list of field hearings for the Federal-aid highway program. Although I am not a member of your subcommittee, I appreciate the opportunity to participate in this hearing as a member of the full Environment and Public Works Committee. I know that the citizens of this State also appreciate and welcome the opportunity to present testimony before you today along with a number of Oregonians and Californians.

The Federal-aid highway program needs in Washington are the same and the impacts of highway legislation pending before your subcommittee are important to all of the residents of the State. We have five remaining gaps in the Interstate System in Washington. Besides that, improvements need to be made in the existing Interstate System, as well as the interstate bridges.

In addition, the primary, secondary, urban, and bridge programs have all played an important role in the development of an efficient transportation system in this State.

As you mentioned in your opening statement Mr. Chairman, the revenues coming into the highway trust fund are declining at a time when construction costs are rising dramatically due to inflation and other factors. With reduced levels of funding a greater burden will be placed on the State to establish priorities to maximize available funds for central transportation services. In that regard, I share your view that the State should be given the flexibility to make these difficult choices as well as the tools to implement long term planning strategies. S. 1024 and S. 841 provide the vehicles for addressing these critical issues and I look forward to hearing from all of the witnesses today.

Thanks again, Mr. Chairman, for providing this opportunity for the citizens of Washington State and the Pacific Northwest to present their views on these important matters.

Senator **Symms**. Thank you Senator Gorton. We are now ready to hear from our first witness who is the Honorable Charles Royer, mayor of the city of Seattle. Is the mayor here? Good morning.

STATEMENT OF HON. CHARLES ROYER, MAYOR, SEATTLE, WASH.

Mayor **Royer**. Good morning Mr. Chairman. Thank you.

I am Charles Royer, mayor of the city of Seattle. Senator Gorton, it's nice to have you back in the city.

Senator GORTON. Thank you.

Mayor ROYER. I, too, would like to echo Senator Gorton's comments and thank you for holding these hearings in Seattle and for the chance I have to testify on the authorization of the Federal highway program. I have submitted a full written testimony and will try to just briefly discuss the points which I consider to be the most important. Later on today I notice that you are scheduled to hear from Jeanette Williams, a council member who is chair of our transportation committee and I will try not to duplicate any of her remarks with regard to the city's concerns.

First, it is nice to be able to go before a Senate hearing and say that I am in support of what you are doing. In this era of cutback management we often get very nervous when we are dealing with Federal legislation, but I strongly support the direction you proposed for the final legislation. It appears from that legislation that you and your colleagues recognize that if we are to start a journey toward a national economic recovery, as the administration has proposed, we just can't make that journey on broken pavement and across dilapidated and failing bridges.

You also appear to have resisted the false economies which could threaten our Nation's entire public infrastructure which is a great concern of those in cities because we are seeking, because of a lack of maintenance and because of a failing system, great costs off in the future unless we make those investments today. I believe that in the legislation you have struck a wise and careful balance between new construction and rehabilitation needs, between the role and the responsibilities we share at each level of government.

In particular, you have recognized the importance of the Federal-aid urban system program and the flexibility, the valued flexibility, it gives the cities like Seattle in dealing with pressing local highway problems. I think we have made very good use of the FAUS funding to resurface arterials and improve signalization, develop a landmark ride-sharing program, and take other measures which increased the efficiency of our existing system, saving the high cost of new construction and higher costs of future maintenance. I would, however, urge that the committee consider a gradual increase in the local match under the FAUS funding instead of the 1 year or immediate increase of 50 percent local match currently proposed. That's a rather precipitous and steep new requirement on cities, and I think if it was phased in over a few years in a moderate way that you would have wider support for that. You also very wisely supported continuation of the Federal bridge program. This is a city which treasures the bridge program as perhaps no other city does. But I think the continuing Federal commitment to bridge safety is especially vital now when a disproportionate number of bridges throughout the country have reached the end of their useful lives.

I was in Pittsburgh not long ago speaking with Mayor Calijury about economic recovery and what it means to the country and the revitalization of the Nation's steel mills and you don't revitalize and pick up Pittsburgh's steel mills without taking care of the 13 or 14 bridges that are nearly in catastrophic shape today.

I am glad too, to see the promise of continued Federal commitment to the primary program of the network of State roads which makes up the essential compliment to our Interstate System.

Finally, your deliberations on the Interstate Highway System once again are raising some powerful local concern over the fate of the Interstate 90 here in Seattle. While I believe the need to have something built in the I-90 corridor, while we need to have access into our city, especially for our growing and excellent transit sytem, whom you will also hear from this afternoon, I have shared the doubts that our Governor recently expressed about the availability of dollars to complete the 3-2T-3 design right now. That issue will be determined by your committee's decision on funding and eligible activities in the Interstate System. If in the end funding is reduced, I would urge increased local participation in design decisions so as to remove as many obstacles as possible to reach a new local agreement. We have been able to come to local agreement when we thought we had a lot of money. Will we be able to come to agreement as resources diminish, as we are looking at a smaller pie?

I would also in conclusion, recommend that the Secretary of Transportation not be given the discretionary authority to demap, eliminate segments of the Interstate System. I would urge in any redefinition of the interstate program to retain transit and carpool lanes as an eligible item. This is, in my opinion, a most critical program element beyond the needed safety improvements. As all of us know in Seattle, where more than 50 percent of the people who work downtown come downtown by bus and keeping carpools and vanpools in increasing numbers, in encouraging the use of high occupancy vehicles is a most effective way of conserving road space and our precious highway construction dollars.

Mr. Chairman, Seattle applauds your leadership in the development of a balanced highway program to carry us into the 1980's. We would like to offer and assistance we can provide as a local government with some encouragement to support your efforts and thank you once again for bringing these hearings to our city. I would be happy to respond to any questions of course.

Senator SYMMS. Thank you very much mayor for that statement. You mentioned that you think that the matching funds as we have designed it to continue 50/50 instead of 75/25 should be phased in. Can you tell us, do you favor a 5-year program, or a 4-year program, or what?

Mayor ROYER. If you decided to phase it in, Mr. Chairman, over a period of time which would allow for 5 percent for example, per year, that would give us some planning time and would take, frankly, would take the edge off some of the other budget reductions we have had to deal with this year, the 20- to 40-percent cut in many Federal programs with which we deal. So something moderate, knowing that we had a target out there, 5, 10 years, somewhere would be reasonable.

Senator SYMMS. We are going to be confronted in the very near future with the fact that the trust fund, under present spending levels, is going to be zeroed out and we will only be allowed to spend what comes in every year and there will be even less money than what is in the program this year. Do you favor, at least to finance local rehabilitation and road construction, to raise the taxes or would you favor a continuation of the trust fund on your secondary and urban road systems?

Mayor ROYER. Sim Wilson from the State legislature is much more qualified than I to respond to that kind of question. I will give you a personal opinion as a citizen of the State. We have raised the gas tax to meet our needs and we have raised it to among, if not the highest, in the country.

Senator SYMMS. What is the use as a gasoline tax?

Senator GORTON. Sim?

Mr. WILSON. Thirteen and a half cents.

Senator SYMMS. Thirteen and a half? That's higher than any of the States that have testified.

Mayor ROYER. We have raised it and, as I understand it, the Federal tax has not been raised for many years, and perhaps if you're looking at a local match increase, you might tie that phasing to a revenue measure that would allow for a more gradual phasing in.

Senator SYMMS. You mentioned I-90. Are you talking about some of the requirements of construction that are a little more rigid than you have room for? Did I understand that right?

Mayor ROYER. Yes. If there is a project in the country where flexibility is needed, it's on the 6.2 miles of road which have reached a horrendous proportion of dollars, and it's a unique segment, it's a floating bridge over water. We need some flexibility in design to be able to accommodate what we now understand, from the highway administrator, is a much reduced budget. In my own opinion, we need to be able to carry transit and trucks and we need to make a connection between eastern Washington and the south end of Seattle, and to do that I think we need flexibility. What I am saying, our experience in working with I-90 in the past when we had plenty of dollars, we were real constrained by lane widths and other regulations which, if we had more flexibility, we could deliver a better product for lesser dollars.

Senator SYMMS. Maybe make it a smaller road.

Mayor ROYER. Yes.

Senator SYMMS. With emphasis on HOV's?

Mayor ROYER. Yes.

Senator SYMMS. Senator Gorton.

Senator GORTON. As in the case of the city of Seattle, we face a dilemma with no particular easy way out. As Senator Symms said, we are spending the trust fund at a rate more rapid than the money coming into it. From the point of view of requirement, of course, we could increase the Federal gas tax in an effort to keep many of the same programs, we can stretch out the completion of the Interstate System almost indefinitely, we can cut back on some of the categories within the entire Federal-aid system. I would just like your own, subjective as it may be, reaction to which of these three, or what kind of combination of these three alternatives, we should take and assuming that there are certain areas within the entire gamut of the Federal-aid highway system that are going to have to be cut back or cut out, which do you think are the ones that you can best do without or do without with the least pain or alternatively, what are the most important, what are vital?

Mayor ROYER. I think vital to us is the FAUS system. It's been excellent. It gives us flexibility and I think we have used it responsibly and well. I am especially concerned about the transit funding over the next few years. You would hear a different message from the smaller cities or rural areas, but we are now at a point in Seattle where we must make a significantly large investment in our downtown to accommodate the tremendous number of transit vehicles coming into the city. The growth around Seattle, around the ring of Seattle, Seattle used to be a 59, 60 percent of the population of King County. Today it's 37 percent. The growth around us, and our downtown hasn't enlarged, as a matter of fact, it has constricted, we need capital, we need help on capital dollars which are dollars well beyond our means to raise locally in order to facilitate that flow of transit which is in the national interest. It is in the national interest for people in heavily urbanized dense areas, like the Seattle metropolitan area, to use an efficient rubber-tired bus system which is excellent. That seems to be as American and as necessary as anything that we can do in this country. We are not asking for a huge new rail start, not a pie in the sky kind of thing of the future, this is today, good bus sytem, we need the dollars and help from the Federal Government to move those buses in and out of Seattle to service our hub in Seattle. So I think those two areas, FAUS and capital dollars that service transportation needs, which would include the I-90 configuration with exclusive transit, and say offpeak truck, to carry out our economy. These are decisions having to do with economic recovery of this city.

I would say those two are most important. What I would, maybe I shouldn't say this, but I don't think the Federal Government ought to be afraid of increasing taxes to make these investments which are going to cost so much more out in the future. Every decision I make in my own budget in Seattle is based on what will it cost me in the future and my children if I defer this maintenance decision, or if I defer this kind of unsexy low visibility decision that you make evey day in operating a budget environment. So I would make the big infrastucture investments now because the future is very grim if we have to replace the system, which is why I like the mix, the Interstate System needs to be saved. The Interstate System is the biggest public works project in history. It needs to be saved. It's falling apart. That's a good priority I think.

Senator SYMMS. Thank you very much, excellent statement. We appreciate your input Mayor, and thank you very much, glad you could be here. When we started scheduling these hearings before I discussed this with Senator Gorton, I had informed the staff if we were going to have hearings in Boise that we were going to have in Seattle also, so we can let both sides give their input.

I might just announce to everyone who is here that we have Jean Schrag from the committee staff and Mike Nee, if you would both stand up. If any of you have written testimony that you don't intend to give, that you would like to submit to the committee, if you could give it to them it will be fine.

Now we will hear from the Honorable Sim Wilson, chairman of the legislative transportation committee of the State of Washington.

STATEMENT OF HON. SIMEON R. WILSON, CHAIRMAN, LEGISLATIVE TRANSPORTATION COMMITTEE, WASHINGTON STATE LEGISLATURE

Mr. **Wilson**. Mr. Chairman and members of the committee, I am Sim Wilson, chairman of the legislative transportation committee, Washington State Legislature.

On behalf of Lieutenant Governor Cherberg, Speaker Polk, and all other members of our State legislature, please let me welcome you to Washington and Seattle. We are delighted that your subcommittee has afforded us and others in the Northwest the opportunity to express our views on proposed changes in the Federal-aid highway program that are before you.

Mr. Chairman, I would like to present a brief overall summary of our position first and then comment on several specific issues.

In general, we concur with the position of the Washington State Transportation Commission, as expressed in Secretary Berentson's oral and written testimony before your subcommittee today. We support the establishment of separate programs for interstate completion and interstate 4-R work. In addition, we believe that the consolidation of noninterstate program categories is long overdue. However, we are concerned about funding of both the interstate and noninterstate programs in our State.

Washington has made a definitive long-term commitment to pay its share of needed interstate highway improvements by authorizing a $325 million bond program for that specific purpose. To finance these bonds and other highway programs at State, county, and city levels, we recently increased our State fuel tax from 12 cents to 13½ cents and doubled our vehicle license fee to $19. However, the availability of sufficient Federal highway funds is in jeopardy. It appears that there will be insufficient Federal funds over the next several years to cover the heavy initial costs of the I-90 project, together with the scheduled improvements of other important projects such as I-82, I-182, and I-705.

Without a large amount of discretionary funds and additional obligation authority, we won't be able to proceed with all of our planned interstate work over the next few years. We need a definitive long-term commitment on the part of the Federal Government to cover its share of these high front-end projects. In this regard, we are not asking the Federal Government to do anything more than we have done ourselves.

As far as noninterstate program funding is concerned, we do not believe that the phaseout of the secondary and urban programs, as proposed in S. 841 and S. 1024, is in the best interest of this State or the Nation. These programs are vital to the existence of adequate highway facilities in our urban and rural areas, and good roads are absolutely essential to the continued well being of our farming and logging industries. As I stated previously, we've increased our highway user fees to provide funds for minimum essential programs plus inflation. We believe that the secondary and urban programs should continue to be funded at levels at least sufficient to offset the effects of inflation.

Mr. Chairman, I hope that my remarks will assist the subcommittee in its deliberations on the future of the Federal highway program. If I can be of any further assistance to you, I would be pleased to do so. Thank you very much.

Senator SYMMS. Thank you very much for a very concise statement.

I take it from that statement that you favor the continuation of the trust fund through the next 10 years at least?

Mr. WILSON. Yes.

Senator SYMMS. When we're faced with the question of raising the users fee on fuel, which I think the Congress is going to have to address within a couple of years, if not sooner, have you found out here in this State that there is a point of any elasticity, if you raise the price too high, people stop buying gas and the revenues come down?

Mr. WILSON. There is a certain amount of that. They have switched to smaller cars, more fuel efficient operation which helps to reduce that revenue, but I think we have to offset that. We did in this State and I will echo Mayor Royer's statement that the Congress must face that same problem of raising the fuel tax in order to provide the revenues for our system.

Senator SYMMS. I made an effort to extend the trust fund through 1989 in the last tax bill passed but the leadership in the Senate and the House decided it was better not to get the President's bill bogged down with another amendment and so we yielded to the pressure and chose not to do that, but that was not a bad question on whether or not we raise the fees. I come back and ask you again, for the secondary and urban system in the State of Washington, do you feel that it's essential that Federal trust funds be continued at least in the cost sharing relationship of at least 50–50 as a minimum on into the next foreseeable future?

Mr. WILSON. I think so.

Senator SYMMS. Senator Gorton?

Senator GORTON. Sim, I would like to ask you the same question as I asked of the mayor. Obviously, it seems to me that you would appreciate our creating additional revenues for the trust fund so that some of these projects would go more rapidly. On the assumption that there is going to have to be either some kind of lag in some of the Federal-aid highway programs or an actual reduction or elimination or consolidation of some of them, what is your priority? Of all of the programs which the Federal Government supports in the highway field, where should its concentration be and, at the other end of the scale, which are the least important of the Federal highway program?

Mr. WILSON. I think it is essential that we finish the Interstate System in this State. It's our most vital link across the mountains.

Senator SYMMS. Excuse me, you mentioned in your statement there are five links in the State. Where are they?

Senator GORTON. One is right here between Seattle and the other end of Mercer Island. One is the Tacoma spur, which you will hear about. Two of them are in southeastern Washington connecting Yakima with Tri-Cities/Hanford area, and then across the Columbia River into Oregon, one of which I think will be completed, I think the Kelso portion of I–5.

Mr. WILSON. That's correct.

Senator GORTON. None of them are in Mr. Wilson's legislative district.

Mr. WILSON. I'm the ferry system.

Senator SYMMS. Are there any of the regulations for environmental inflexibility in general that you think we should be addressing? Could you make any recommendations to us on that, environmental or otherwise, that are too rigid?

Mr. WILSON. I think the whole series of events that the State went through in giving the approval for construction of I-90 is a prime example of something that should be corrected. There definitely needs to be something to straighten out that kind of problem. Granted, this is the last of our interstate link, but to see projects escalated in cost by litigation over 10, 15 years just is unconscionable I feel.

Senator SYMMS. Do you have the revenue base here, say if we did increase the Federal users fee and more money did become available in 2, 3 years down the line and there's more money available for matching funds, does this State have the base to be able to meet all of those matching funds?

Mr. WILSON. You'd better ask Secretary Berentson that question. All I know, if they don't, they'll be back to the legislature seeking it.

Senator GORTON. Is it correct to say that three-quarters, or as much as 80 percent, of all of the moneys necessary to complete the Interstate System are for the one I-90 system?

Mr. WILSON. Very, very close to it.

Senator GORTON. I don't think you had an opportunity to finish your answer on priorities.

Mr. WILSON. I'm not sure I can answer it.

Senator SYMMS. I thought he was looking for a way out.

Mr. WILSON. Right.

Senator SYMMS. Thank you very much. We appreciate your testimony.

Now we have panel No. 2. If all of you on that panel would come up. that's Duane Berentson, secretary, Washington State Department of Transportation, Mr. Robert W. Ward, Alaska State Department of Transportation, Ms. Adriana Gianturco, and Mr. Fred Klaboe. If we could hear from all of you first and then have questions. Duane, why don't you go ahead?

STATEMENT OF DUANE BERENTSON, SECRETARY OF TRANSPORTATION, WASHINGTON STATE DEPARTMENT OF TRANSPORTATION

Mr. BERENTSON. Thank you, Senator Symms and Senator Gorton. I might mention to you Slade that you're missing beautiful weather in Olympia, It's been 105 degrees, absolutely beautiful.

Senator GORTON. I was in Omak, even hotter.

Mr. BERENTSON. I would like to welcome you on behalf of Gov. John Spellman and also the transportation commission. We are more than pleased that the subcommittee is here and we are allowed to testify.

I'm going to depart from my prepared text in view of what I have heard and just quickly point out three or four concerns we do have here in the State of Washington.

Basically, we have three interstate completion projects. Senator Gorton is right if you numerically list them, but basically, you have the I-90 link, 405 through the Bellevue area to greater Seattle, across Lake Washington. Along with that we have the I-82 from Yakima up to Ellensburg then, pardon me, Yakima to the Tri-Cities, and from the Tri-Cities to the Oregon border, along with that the spur across the Columbia into Pasco. The third major completion project will be the Tacoma spur. The Longview area, the Olympia area, under your direction in the Congress now basically would be following the 4-R category, and that too concerns us somewhat.

Let me just point out that our total completion program remaining in this State would border in the area of $3 billion. About half that amount, $1.8 billion, would be directed toward the completion of the three-two transit three version of the I-90 bridge. And let me point out the real concern we have there, as well as the I-82 in the Tri-Cities area. If you are to limit us as to the number of lanes we would run into a real problem in view of the fact, as Senator Gorton knows, it's been about a 20-year legal fight, and we do have an environmental impact statement, a memorandum of agreement from the affected communities of the greater metropolitan area to proceed with the 3-2T-3 alinement. If we were forced to bring that down to six, we could very well run into the problems of going back to square 1 and going through the process again.

Let me point out very quickly that combats are concerns and really, as we look at the completion program now, we would be approximately 50 percent short based on the present apportionment and obligations controlled directions we see coming from the Federal Government.

As we look at I-90, we have suggested that we phase that program. We have suggested this to the transportation commission of this State for their final consideration. We would also like to begin on the Tacoma spur, which would lead into downtown Tacoma, which is probably the poorest access of any major city I suspect in the Nation, and complete the Tri-City lanes which is one of the very fastest growing areas as far as population in the country. So if we backtrack and look at our total problem, we see the present direction and redefinition as coming up about 50 percent short. With that in mind, we strongly endorse continuation of the trust fund, and looking very closely at the possibility of increasing the 4-cent Federal gas tax. I am sure you are aware it has not been changed in 22 years. We know there was not a need until recently in view of the fact that we had tremendous increase in the amount of vehicles paying that gas tax, but now with the price stabilization and lower consumption in this State, we are seeing that affected and we are seeing autos that are going 30 and 40 miles per gallon. We think there is a necessity to look at the Federal trust fund and this gas tax and I'm not too sure it wouldn't be wise maybe to look at the possibility of doubling that tax in the next 4 to 6 years.

I happen to believe, and I think I speak for many people interested in transportation in this State, it is truly a dedicated fund, a different animal perhaps than those taxes going into the general fund in the Congress. So as I close, I would like to suggest this, unless we have relief we will be about 50 percent short of doing what we need to do in this State.

The real problem facing us might well be the 4-R program itself, and let me give you an example. In those interstate funds, without being seperated for basically maintaining the existing system, we are given approximately $52 million or $54 million for the transit and park-and-ride HOV lanes, flier stops in this State.

Under the 4-R program that would be very very difficult to continue. Mayor Royer has suggested that they are attacking the problem of downtown Seattle or the metropolitan area. They probably have a need to double the rubber-tired bus service into the city. Quite frankly, I question whether they can do that unless we provide the transit amenities, which also leads to the need for the completion of the final I-90 link.

With that Mr. Chairman, I would be happy to answer some questions.

Senator **Symms**. Why don't we hear the statements of the others and then ask questions.

We will now hear from Mr. Bob Ward, Alaska State Department of Transportation and Public Facilities.

STATEMENT OF ROBERT WARD, COMMISSIONER, ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

Mr. **Ward**. Thank you very much, Senator Symms and Senator Gorton. My name is Bob Ward. I am the commissioner and chief executive officer of the Department of Transportation and Public Facilities, State of Alaska.

On behalf of Governor Hammond and the State of Alaska, it is an honor and a privilege to be able to participate here today, and I would like to thank you very much for that opportunity.

A written testimony has been submitted for the record so I will not read that. I will summarize it briefly for the committee here today.

Our testimony in regard to the future of the Federal-aid highway program covers four distinct areas: one, administrative simplicity; two, obligational authority imposed upon the States; three, the future of the secondary or rural program; four, Interstate construction and 4-R funding.

Might I digress from the order and talk about obligational authority? I am sure you, Senator, are aware as well as any of us involved in highway programs, I don't know of anything that has been quite as devastating to State highway programs as obligational ceilings placed on funding available to the State. Particularly in those areas of the Northwest and Alaska, again in particular where our seasons are so short, the imposition has been onerous to say the least. Obviously, we do recognize that the highway system need not take precedent over the national economy and the health of that economy, so we anticipate that programs will be called on to share in the medicine that is required for the economy, so we can accept that. If that need is paramount, I would also point out one caveat as far as we in Alaska are particularly concerned, certainly an 80-percent, 20-percent formula is much preferable I believe to quarterly allocations, the quarterly allocations in terms of size of the job, inflation, in an area such as ours where we get rather modest amounts to start with, that limits us to one project and, in some cases, not even one.

In terms of the other three items I mentioned, perhaps general comments might cover all three. My counterparts and I in other States have engaged in all our association meetings, both regional and nationwide, for a month now in discussions of the transportation programs in general, the surface transportation act in particular. I think the mood of our groups, certainly seems to be the mood of the present administration as well as the Congress, that emphasis should be placed on the completion of the Interstate and reduction of the categorical programs and emphasis is focused on the completion of the Interstate and repair and maintenance of the Interstate, bridge repair, primary, and in some cases, secondary bridge and safety programs. Obviously, if the choice had to be made between Interstate and secondary, in the circles in which I operate, the secondary would certainly be abandoned in favor of the Interstate in terms of what really is the Federal role. I don't have any trouble of the concept of the Federal role being focused primarily on the Interstate and the other programs, primary, bridge and secondary, coming after that.

But I would like to point out that there is only one State of all States that does not participate in the Interstate System. That happens to be Alaska. So it's difficult for us to say that we would forgo other categorical programs in favor of the Interstate when we are not on it. Why aren't we on it? That's a question we have been asking for 20 years and it may seem obvious if it weren't because of the fact that we are not one of the contiguous States, even though we are joined by land masses and transportation arterials that are contiguous in our State, we are not one of them. Hawaii is on the Interstate program, so it makes us wonder why are we the only State out of 50 not so treated. We have come to the point of even going to the present Secretary of Transportation, Mr. Lewis, and the Governor authorized me to make a proposal to the Secretay to ask for support of a program that would say just include Alaska on the Interstate System and call it complete. We'll go with that. If that does not occur, then we face the future of additional emphasis on the Interstate, which I again reiterate, we think is appropriate, but it boils down to the fact when we mature to the point of the total Federal role in the highway system, the Interstate, Alaska would still have to have special treatment or none.

We would strongly urge that even in view of the fact that 150 of our communities are not connected to any other community by road, and the only roads they have are secondaries and rural connections between their town and the airports, we would still forego secondary programs in the future if we were on the Interstate. Thank you Senators for hearing me.

Senator SYMMS. Thank you. I think we do have some questions to ask you in a minute.

Let's hear from Marlin Beckwith.

STATEMENT OF MARLIN BECKWITH, DEPUTY DIRECTOR, ADMINISTRATION AND FINANCE, CALIFORNIA DEPARTMENT OF TRANSPORTATION

Mr. BECKWITH. Senators, thank you very much. My name is Marlin Beckwith and I am deputy director for administration and finance for the California Department of Transportation. I, like the others, appreciate the opportunity you are providing us to present California's views on highway transportation needs in the 1980's and suggest some possible strategies you in the subcommittee may choose to consider when developing the programs.

In terms of the strategies, what I would like to briefly discuss first are things such as focuses on protecting the existing investment in transportation, establishing a framework for more energy efficient transportation system, providing cost-effective transportation improvements, and allowing the flexibility to select solutions to the transportation issues based on their effectiveness, regardless of mode. I will discuss these very briefly and then I will have some specific comments on proposals.

Because the investment in our existing system is very substantial and the cost to replace it obviously would be staggering, we should have a well conceived plan to protect what is already in place and do that before we even talk about planning for future transportation projects.

Just by way of example, we all know that the size and weight of trucks is a critical factor in the preservation of our existing highway system. Heavy trucks and carriers are a major cause of highway deterioration. Therefore, one of the proposals we have in our testimony would be to recommend a set of uniform laws that apply to interstate trucking which restrict the size and weight of trucks to the designed capacity of the existing system without causing unreasonable curtailment to the trucking industry.

To speak a little bit about the energy conservation, about 65 percent of all petroleum based energy is used for transportation. Thus it becomes of vital importance to deal with energy conservation when we deal with transportation programs. The big problem is that most of the travel in California, and the country as a whole, is by the least energy effective modes. That goes for both passenger and freight transportation. On the passenger side, about 98 percent of all travel is by automobile. That auto is about one-quarter as energy efficient as a fully loaded bus, and about one-seventh as a fully loaded passenger train.

On the freight side, the greater part of commodity shipments are by truck. The energy required to move a ton of goods by truck is 8 times greater than the energy required to move it by rail.

Therefore, alternate modes of transportation has to be considered when talking about future transportation programs.

The third element of any future transportation program should consider the benefits of transportation solutions related to cost. We in California feel that we have done a pretty good job of re-examination that began several years ago under then Governor Reagan. In the early seventies, the California Department of Transportation asked a consultant to do a cost effectiveness study of the State's planning highway transportation system. The basic idea proposed by the consultant was that the merits of transportation facilites should be considered on the basis of what the public gets in terms of traffic benefits for a given investment. For example, substantial capital investment in new highway facilities does not necessarily have a higher return of benefits to cost than say lower-cost operational improvements.

The results of that study are just as applicable today as they were in the seventies.

The study also stressed the importance of looking at the system costs and benefits. If sufficient funds are not available to fully construct a particular system as was originally planned, it's probably not a good idea to build part of the system at its original scope and do nothing with the remainder. It's better to rethink the entire system to see what you can buy overall at the lower-funding level.

Seeking cost effective solutions to transportation problems is especially important when considering the impact of inflation on construction activities. The dollars we have today can build only one-third of what they could build 7 years ago.

The fourth and final element we would ask you to consider in developing the new program is increased flexibility in selecting transportation solutions. This element is critical to be able to make the first three components work in meeting the Nation's need. An effective program is dependent on choosing and funding the most cost effective energy efficient solutions regardless of transportation mode of Federal program. Our efforts to reduce energy use for transportation, for example, would be more effective if there were greater flexibility in the use of transportation resources.

California is very concerned about the increasing lack of flexibility left to our State government because of the myriad of Federal programs and our ability to finance little other than the State matching requirements for those programs. We also have extremely inadequate options for trading of funds between transportation modes. Often this puts the State in the dilemma of not meeting what we perceive as our highest priority needs, or selecting the least cost effective or energy efficient solution to a transportation problem because to do so would mean a loss of Federal aid.

Now, to just talk very briefly about some specific proposals. For several years there has been a growing concern about the Federal Government's ability to complete the interstate system. We propose reducing the interstate program to remaining gaps and those projects that were originally agreed upon as "stage construction." This, we understand, would reduce the cost complete from the current $50 billion to approximately $38 billion. That level could be financed over a 10-year period with some capability left under existing funding mechanisms to fund a substantial rehabilitation program protecting our current highway investment, which certainly should be a high, high Federal priority.

California also would propose that revenues in the highway trust fund be redistributed into three basic programs: One, completion of a down-scoped interstate system; two, rehabilitation of current Federal-aid systems; and three, an energy initiatives program aimed at conserving energy and promoting more efficient use of our existing highway facilities through transportation system's management techniques.

To a question you had asked earlier, California does not however, support the extension of the highway trust fund concept, at least in its current form. Rather, what really may be needed is a combination of highway funds, both transit and highway, into a single unified fund so that coverage may be selected on the basis of effectiveness without regard to——

One other very quick comment, and that has to do with so called Federal standards, which has also been referred to earlier. We do realize the need for some standardization. However, we do feel that Federal systems of lesser interests, there seems to be room for some reduction in the number of requirements, which must be met prior to qualifying for Federal funding.

A few other points that we would like to quickly make, being very selfish, we feel that individual return rates of Federal aid to the States should not be less that 85 percent of the trust fund contributions. In the State of California that is under 70 percent at the present time and that really hurts us.

In setting up a distribution formula for other than interstate and the 4-R program, we strongly support a 50/50 formula based on lane miles and vehicle miles traveled. As has been mentioned earlier, high occupancy vehicle lanes do hold high promise, particularly for urban areas. Federal support and inclusion as part of the interstate system is encouraged. We also understand that one of the alternatives the committee is considering is part of phasing out the Federal-aid urban and secondary systems and establishment of a rural and block grant category which would require a 50/50 match in ratio and would specifically exclude these funds for mass transit. We believe that transportation can better be served by broadening the block grant concept, one major category for all transportation systems, which are or are not of nationwide consideration.

One final point, we urge you to continue consideration of a multiyear highway transportation bill. As you are probably well aware, your bills greatly restrict the States' abilities to develop realistic, meaningful, long-range plans and can create false starts. There is more in the written testimony. This however, completes the verbal presentation. We have attempted to not only comment on the pending legislation, but to give your committee a sense of a future program direction we feel is necessary to insure an operative and affordable transportation network. Thank you very much.

Senator SYMMS. Thank you very much Marlin. Next is Fred Klaboe of the State of Oregon, Department of Transportation. Is Fred Klaboe here? If not, I guess we will hear from him later today.

I wanted to ask a couple of questions. Mr. Berentson, what is the condition of your interstate as far as the 4-R program is concerned in the State of Washington? Are you starting the program now to rebuild part of it or rehabilitate it?

Mr. BERENTSON. Statutorily in the State of Washington our first commitment is maintenance of existing systems. I think the best approximate number I could give you, looking at the direction you are taking and redefinition, is that we would only meet about 30 percent of our projected needs with the present funds available from the trust fund administered through the new 4-R program. That concerns us very much. In fact, looking into the future, the

4-R or maintenance of the existing system would be more of a problem in our current dilemma of trying to complete the interstate.

Senator SYMMS. Did you say it was going to be $3 billion to complete the interstate?

Mr. BERENTSON. Yes, approximately.

Senator SYMMS. Do you think that the 4-R system, say in the next 15 years, could be even more expensive than that?

Mr. BERENTSON. Yes, looking at all of the various segments of concern. We have done, I think, an excellent job in answer to an earlier question, within the State the legislature did approve a funding capacity, did increase the gas tax to a percentage tax, which is now 13.5 cents and could very well fall below that after the first of the year, 10 percent of the average retail price, limited to 2 cents a year. With the fluctuation of prices now, it's very possible we would really never see an increase.

I would mention to you also that we are very much aware of the need for a change in the mechanism to raise funds and we will be looking at that in the next couple of years. I suggest that, I think that we would have to be including legislative participation, cities, counties, perhaps metro, in looking at new funding advice. We feel strongly that the trust fund first established in 1956 has done just exactly what it was designed to do and that's to create transportation network that has probably been the most important single event of that era. And, of course, has been responsible for the economy overall. We feel very strongly that with the other actions, needed actions, being taken in the Congress, if you put everything back to the State or local levels, we are going to see tremendous competition for additional funds as we go back to the State and local levels. I wouldn't argue with that as a necessity. Transportation networks in this State alone has been more responsible for the rather healthy economy over the years. We are one of the 10, top 10 percent of growing States. I trust that you did notice Senator Simms as you came in, the interstate, what we call the southcenter area, with I-5 meeting with 405 and to I-90. That area only 15 years ago contained dairy farms and things that didn't really require our ability to move people like we do today.

Senator SYMMS. Thank you. Do you have a question Slade?

Senator GORTON. I'm sure you're more aware than I am that the three States represented here this morning each has a somewhere different thrust to the testimony which we have heard. Again, since in one sense the State of Washington here is probably asking for the most expansive program, including the largest number of elements, are you willing to set any kind of priorities, leaving aside at this point the possibility of increasing taxes into the trust fund itself, as far as the various elements of these prgorams which you wish to be either speeded up or continued at present levels, how would you prioritize that from the top down or the bottom up?

Mr. BERENTSON. Let me point out again our State legislature has acted rather responsibly. We are in a position to take advantage of anything that is available at the Federal level. Then I would categorize or prioritize again the absolute necessity of completing the missing link in our interstate system. Then, of course, the primary and secondary and urban would fall below that. With our approach to funding——

Senator GORTON. How about 4-R?

Mr. BERENTSON. I trust that's going to be part of the redefinition and the 4-R is going to be very important to us. I think I indicated earlier we have a real concern that under the 4-R definition we will fall far, far short of meeting our needs. That again, is why we get back to the position of supporting the continuation of the trust fund, especially in that area, and we see the absolute need of additional funds there.

Again, I come back to the fact that the user tax, I notice that the State of California is concerned about conservation, perhaps with enough we would feel conservation also. I question that, but we know in this State, and I suspect you people feel the same pinch, that with price stabilization, reduced consumption, we are not going to get there without an increase in the Federal gas tax.

Senator GORTON. Thank you.

Senator SYMMS. I have a couple more questions. If I understand correctly, you're saying that the first priority of the State of Washington is to complete the interstate and second, don't forget about the 4-R program. To what extent then do you think that we should allow any of the moneys out of the trust fund to be used for other suggestions such as the mayor made earlier? I think you heard his statement.

Mr. BERENTSON. In my prepared statement you will see that we will accept the direction of consolidation all right. I would support the position, however, of facing over a period of time the urban secondary phase out, which I believe, under your bill, is due to be out in 1983. I think that might be a little severe and as we look at our problems, I think we are going to find as we turn more responsibility to the State, we are going to face a tremendous competition as far as our ability to meet our needs and, for that reason, I think a phasing process is going to be necessary. I happen to believe though the primary system, for the most part, is a national significance and should be retained at close to its present level.

Senator SYMMS. You're saying if we phase this secondary road system support out in 2 years the State of Washington would be in big trouble?

Mr. BERENTSON. Certainly the local communities, city, and county governments would certainly be hard pressed to replace those funds locally. I think that phasing approach is going to be necessary or it's going to be a period of time of almost desperation before we convince people on that level that they indeed are going to have to take the responsibility.

Senator SYMMS. How about bridge replacement in Washington State?

Mr. BERENTSON. We have done very well with bridge replacement costs. We managed to sink one and a ship ran into another, but under the present direction, we really would not be able to face our bridge needs either. We would fall far short in that area.

Senator SYMMS. Do you think a formula based on each State having a variable cost would encourage the most efficient construction of bridges when there is a big variation in how much a bridge costs?

Mr. **Berentson**. I don't know that I can answer that.

Senator **Symms**. The administration proposal is if the cost of a square foot to replace a bridge is estimated by each State, and as you know, there is a big variation of how much it costs to replace or build the bridge——

Mr. **Berentson**. I don't think we would have any problem with that. We have excellent engineers in our department of transportation and I think we could compete with any State if there was a direction to save funds nationally.

Senator **Symms**. I was simply concerned whether or not this might not encourage higher costs built into the construction, but you don't think that is a problem?

Mr. **Berentson**. I would think that taking that direction would maybe bring equity to the overall bridge construction nationwide, if there is that much variance.

Senator **Symms**. I have one other item I wanted to ask before I get back to California. Slade, if you have a question, just cut in. What limit does the State of Washington impose on length and weights of trucks?

Mr. **Berentson**. Just a minute. I'll get my expert. We allow 80,000 pounds and 65 feet.

Senator **Symms**. Sixty-five feet and 80,000 pounds?

Mr. **Berentson**. By special permit. By the way, I might mention we have in process a conference with the States of Idaho and Oregon with respect to I-90.

Senator **Gorton**. Have you read the California testimony?

Mr. **Berentson**. No, I haven't.

Senator **Symms**. What's your standard in California?

Mr. **Beckwith**. I imagine it's 80,000 pounds.

Senator **Symms**. I think it's 65 feet also. What are you recommending?

Senator **Gorton**. Would it be higher or the same as you have now?

Mr. **Beckwith**. Certainly no higher.

Senator **Gorton**. How about this State, would you want to see a Federal mandatory increase in those limitations?

Mr. **Berentson**. I think even more important is that we make sure that we have a uniformity wherever we are and I don't think I would be prepared at this time to endorse a weight increase necessarily or a length increase. That is something that has been before our legislature for years. In closing, I might mention in this, in my prepared statement, I remind you we have some real concerns about obligation control——

Senator **Symms**. Similar to Alaska?

Mr. **Berentson**. Yes. We also would like to make you aware of the fact of phased consideration, consideration being able to phase the programs or projects is very important to us because it's a very heavy, up-front kind of thing, and if we could have maybe the ability as individual States to come before the Director, Secretary of Transportation with some of our very unique problems. We happen to be one of the few States that have very unique problems. We don't know if California wants to build the century freeway or New York really wants to build their freeway. We want to build ours. We weren't just interested in keeping the interstate completion estimate. We would really like to be able to use those dollars, eventually.

Senator Symms. Thank you very much.

Mr. Ward, you talked about the expanded cost between State construction and Federal construction. Do you have any figures with you, or would you submit some to us of the difference of the cost of road construction on State specifications in Alaska and Federal, or do I understand your statement correctly? This is what you said, isn't it?

Mr. Ward. Yes. The difference is 15 to 25 percent based on State versus Federal requirements on projects. That's a representative number, I'm sure, in the ballpark someplace. I'm not necessarily of the mind that that is the most significant item in our testimony however.

Senator Symms. But we might ask, if you could to give a couple of examples of that. A comparison of the construction jobs that would be similar under State regulations and Federal because those are the kinds of things we are looking to.

Mr. Ward. Perhaps, Senator, in that regard, it might be well to point out that at time of statehood, Alaska inherited the transportation from the then Bureau of Public Roads. Alaska had been allowed to build roads to a lesser standard than Federal standards in the rest of the States, and perhaps it was some very important reason for that to occur. I'm not knocking that. All I'm saying is that since that time, the time of statehood, we are then having to upgrade all of our system to Federal standards and again, I'm not knocking that, but it does put us at a disadvantage to start and a disadvantage now. In addition to that, the addition of a rather complicated system, plus the fact that Alaska inherited some rather substantial numbers of national monuments that covered part of the existing transportation system——

Senator Symms. Only equal to about four or five of the rest of the States in total land mass.

Mr. Ward. The point is though, the significance is that all of a sudden because of the land classification the projects we had almost ready to go to construction had to have 4–R statements, had to be approved by resource agencies in Washington, D.C. That's a year.

Senator Symms. Let me ask you a question that has come up about Government-owned land. Some of the States that have been testifying are very concerned about having the Interior Department have more to say about the road system than the Department of Transportation. Do you have a strong feeling about that?

Mr. Ward. Absolutely. Our thoughts run the same as other States that you have mentioned.

Senator Symms. You want the ability to maintain the lead agency in setting the road requirements and so forth?

Mr. Ward. I would like to see DOT assume lead agency role in transportation matters in Washington.

Senator Gorton. When you say that you would like to cease to be the only State in the United States without an interstate, just for my edification, what highway or highways would you like to see designated as interstate highways?

Mr. WARD. Senator, a study that we completed for the FHWA in 1979 included 1,000 miles of highway system. It's the system that connects Fairbanks to Anchorage and also an outlet on the Kenai Peninsula so a connection from Kenia to Anchorage through Fairbanks down the Alaskan Highway to connect to the Alaskan Highway.

Senator GORTON. Did I understand you correctly in that connection, that you said that if that designation were made you would not plan to include any additional improvement of construction on it, it could be accepted as it exists at the present time?

Mr. WARD. Yes. I should also point out too, Senator, of those 1,000 miles, we would only anticipate 100 miles of the 1,000 would be required to be four-lane. The simple answer to the question is yes. It's the main reason, I mean we have heard a variety of excuses over 20 years, cover a broad gamut, it seems like the most recent one is that if we allowed Alaska in the interstate, that would extend the time. Our reaction to that was call it complete. We will just start with the 4-R program. Otherwise, we will miss completion and the 4-R.

Senator GORTON. That was one of my followup questions, what that would do is make you eligible for the 4-R?

Mr. WARD. Yes.

Senator SYMMS. I think it's a pretty good suggestion that Alaska has come up with. I think you have a good point. It seems to me that what you are saying is a reasonable answer to the whole program. From what I understand of what you are saying, I hope that they do look at it favorably.

Do you have any more questions you want to ask any of the three?

Senator GORTON. Maybe of the three, California.

The thrust of what California would like to do is somewhat different from the other witnesses we have heard here today. Let's assume that all of the recommendations which you make were adopted. What would be the thrust of where California would go? I take it you put a somewhat lower priority on the completion of the interstate than some of the other witnesses here?

Mr. BECKWITH. I think that's true. Our first priority for some time has been the maintenance and rehabilitation of the existing system. We think the funding mechanisms have to follow the same priority lines, so therefore, if I were to be asked what our priority was clearly has to be that we truly support the 4-R program for that reason. A better State system, California, as other States, is either near, at, or exceeding that 20-year life expectancy. So I guess that's one of the points I have to make.

The other point I have to make is more flexible use of existing funds. We are not married as much as other States are to using the highway trust fund for strictly highway improvement purposes.

Senator GORTON. You would use a considerable portion of transit.

Mr. BECKWITH. That's right, in certain areas if we had the money.

Senator SYMMS. Do you feel the money could be better used in California for the 4-R program on some of the 20-year-old or nearly 20-year-old interstates rather than spending billions on the Century Freeway?

Mr. BECKWITH. We would like to do both. The Century Freeway we just simply have to do something with. We think we have negotiated an agreement, effort is being made now on configuration of that particular route.

Senator SYMMS. Are you satisfied with that negotiation?

Mr. BECKWITH. Yes; we are.

Senator SYMMS. You will have to come up with a substantial amount of money in California?

Mr. BECKWITH. Substantial amounts. Current costs now, I think $1.5 billion to $1.6 billion. By the time of construction over the next 10 years, we're talking $2.5 to $2.7 billion for the segment alone. It's a lot of money.

Senator SYMMS. It certainly is where you are talking about 17 miles of road. It becomes a real concern to me.

Mr. BECKWITH. But clearly, if you have ever been in that area, something has to be done.

Senator SYMMS. I appreciate the testimony of each one of you. We will include the Oregon statement in the record.

Panel No. 3, we have Neil Peterson, director of Metro Transit, Dean Lookingbill, Regional Planning Council of Clark County, Jeanette Williams, chairman, Mart Kask, executive director, Standing Committee on Transportation, Puget Sound Council of Governments, Ernest Geissler, Washington State Association of Counties.

Mr. Peterson, if you're ready we'll start with you. Will each of you try to keep your remarks to 5 minutes and then we'll have some time for questions.

STATEMENT OF NEIL PETERSON, EXECUTIVE DIRECTOR, MUNICIPALITY OF METROPOLITAN SEATTLE

Mr. PETERSON. My name is Neil Peterson and I am the executive director of the municipality of Metropolitan Seattle. I am pleased to be here and honored to have you in our city.

Let me give you a little background on Metro and what we have done in the area of transit in the last several years. The Metro Transit system in Seattle and the metropolitan areas has been the fastest growing all bus transit system in the country in the seventies. Its ridership has doubled in the last 7 years. We are primarily attracting people going to and from work in the peak hours. We now carry, and hope to carry by 1990, one-fourth of the people going to and from work in this area every day, and about 50 percent of the people coming to work in downtown Seattle now take the bus to get to and from work.

Why our interest in the Federal highway legislation, most people don't realize we drive the same roads as everybody else drives and it's equally important to us that those roads be in good condition in order to provide the freedom for our buses to move. Our passengers want reliability, want to know the buses will get to their destination at a certain point. If we get caught in a traffic jam, it affects our ability to market our services and to do our job.

Second, most people don't realize that transit is not a capital-intensive industry, it's a labor industry; 80 percent of our costs are on our drivers and our mechanics maintaining our buses. So it's critically important that we move those buses along high-occupancy vehicle lanes and get them to and from where they are going at the highest average rate of speed possible, on time, so that we can cut down our operating costs.

So my plea today to you is very simple, it's with the high-occupancy vehicle lanes and the park-and-ride-lot program of the Interstate Highway System. It needs special attention. A specific proposal by the administration really does just the opposite. Let me be specific. Right now they are proposing that the interstate HOV lanes and the park and ride be transferred out of the interstate completion funds and into the 4-R program. This would be devastating because they as you heard Mr. Berentson, No. 1, there's not enough money in the 4-R program to begin with to maintain the existing system, much less the kind of thing we're doing with our park-and-ride program.

So, I would make two proposals to you. One is that you do not adopt that proposal, and in fact, retain HOV and park-and-ride lots as eligible costs of completing the interstate program. An alternative to that would be specifically designating that a portion of those funds be put to the completion of HOV and park-and-ride lots and not follow the total maintenance program because the HOV lanes and park-and-ride lots are not a major part.

The second specific issue I want to bring to your attention is the interstate funding problem with I-90. We concur with several speakers that we need to complete that system. It is critically important to transit as well. As you know, there are only two ways to cross the lake to get to downtown Seattle and vice versa. The current administration's proposal would limit the completion to a six-lane facility which would effectively eliminate HOV lanes and force the funding for the HOV lanes into the 4-R category where there is already not enough money. We would propose two alternative solutions to you for consideration. One is that minimum exempt projects that have gone through all of the EIS permit and other processes, such as I-90, and are under construction such as I-90, and allow the HOV lanes and the six-lane restriction not to apply to those facilities.

Second proposal, if that's not acceptable, is to adopt Representative Shuster's proposal in the House, and amendment on the House bill where you do not count HOV lanes as part of the maximum lanes permissible as another way of encouraging an increase in those facilities.

I brought a couple of pictures. You are probably well familiar with them, but I just thought I would show you so you can get some feel for the types of ways that Federal funds have been invested in this area. This is a park-and-ride lot just recently completed and this is downtown Seattle. The intent here obviously is to collect cars at this point, 650 at this particular lot, and get them in buses which eliminates 35 cars for every bus full of passengers and take them the rest of the way on the bus. You may know we have invested heavily in articulated buses here. These are long bending buses that carry 50 percent more people than standard buses, which again increases the efficiency.

Senator SYMMS. How is the use of that? On a weekday would that have 600 cars in it?

Mr. PETERSON. We have about 26 lots now in the system and we have about 95 percent occupancy. Most of them are over. We have complaints all the time about people parking all over. They are very, very popular.

The other picture I wanted to show you was of an HOV lane, and again, we're talking about limited resources and how to invest them. Here, with the cooperation of State Department of Transportation, we took the shoulder lane, shored it up a little bit, and allow that to be used during peak hours. This is coming into town on 520. Senator Gorton knows. And you can see the impact of what you could do with a lane like that for buses and carpools. It's that kind of investment that we think we need to continue to make around here and we have a plan for the next 10 years which calls for an additional 113 miles of HOV lanes on the existing Interstate System and about 26 more park-and-ride lots. We think the investment has already shown it pays and we would like to continue to do it.

Senator GORTON. Thank you. I think we will hear from the others and then have questions.

Senator SYMMS. Dean Lookingbill.

Mr. HOWSLEY. Mr. Chairman, Senator Gorton, my name is Richard Howsley, executive director, Regional Planning Council of Clark County.

Senator SYMMS. I'm sorry. I got the wrong name. You are Mr. Howsley? All right. Go right ahead.

STATEMENT OF RICHARD T. HOWSLEY, EXECUTIVE DIRECTOR, REGIONAL PLANNING COUNCIL OF CLARK COUNTY

Mr. HOWSLEY. I would like to thank you for the opportunity to present testimony today for the Transportation Subcommittee on Senate bill 1024 and Senate bill 841.

The Regional Planning Council of Clark County is a voluntary organization of public and private agencies in the Washington portion of the Vancouver-Portland metropolitan area. We are composed of elected officials from the member governments, public utility districts, in that area. We also have as ex officio members the metropolitan service district, Oregon and the State of Washington.

In the last decade, Clark County grew by 50 percent and we expect that trend to continue. With this population group, more people-vehicle trips are generated, which increases the levels of roadway and intersection congestion. This congestion results in a number of problems for us including safety hazards, increased air pollution, and increased gasoline consumption.

Your subcommittee is considering two bills at this time, S. 1024 and S. 841. From our standpoint only one bill S. 1024 authorizes appropriations adequate to meet the highway improvement needs of Washington State and in particular, Clark County. Therefore, we support the recommendations in your subcommittee for 1024 for the following reasons:

One, S. 841 terminates Federal funding for the Federal funding for the Federal-aid urban system after 1983; S. 1024 continues Federal funding through 1986. Funding for the Federal-aid urban program is critical to improving the high-volume arterial-and-collector roadway system in the Vancouver/Clark County urbanized area. If Federal support is not continued past 1983, serious negative economic impact will result.

Two, S. 841 terminates the Federal-aid rural program after 1984; S. 1024 continues the program through 1986. This program for rural road improvement is essential to the economic viability of the small communities and rural environs of Clark County.

Three, S. 841 weakens the authority of the local, urban transportation improvement process for setting interstate construction priorities by giving explicit authority to the Secretary of Transportation to withdraw approval for any routes previously identified locally for improvements.

Four, S. 841 does not provide Federal support to Federal land highways, access to lakes, and the bicycle transportation program; S. 1024 does provide authorizations to these programs.

From the perspective of a metropolitan planning organizations, bill S. 1024 adequately supports the local transportation improvement process and authorizes Federal-aid highway appropriations for the categories of highway improvement, which will benefit the economic growth in Washington State, Clark County, and in similar urbanized areas across the State.

In summary, we urge the Transportation Subcommittee to support bill S. 1024. Thank you.

Senator SYMMS. Thank you very much. Ms. Jeanette Williams.

STATEMENT OF JEANETTE WILLIAMS, COUNCILWOMAN, PUGET SOUND COUNCIL OF GOVERNMENTS

Ms. WILLIAMS. Mr. Chairman, I am Jeanette Williams, a member of the city council of the city of Seattle, and chairman of the standing committee on transportation of the Puget Sound Council of Governments. I am here today to testify on behalf of the council of governments and its member jurisdictions. It is always difficult for me to switch hats because I also am vice chairman of the transit committee.

A brief overview, I would like to wing through the statement here. The Pugent Sound Council of Governments serves as the metropolitan planning organization for the Central Puget Sound region of Washington to carry out the coordinated, comprehensive, and continuing transportation planning process required under section 134 of the Federal-Aid Highway Act and section 8 of the Urban Mass Transportation Act. PSCOG's membership includes four counties, 44 cities and towns, and four Indian tribes. These jurisdictions represent over 2 million people, 54 percent of the population of the State of Washington. PSCOG exists by means of interlocal agreements among the member jurisdictions. Interagency agreements are also maintained with the Washington State Department of Transportation and with the region's transit operators. These agencies participate actively in our MPO process. Our MPO is one of the oldest in the country. We date back to the late 1950's. We have continued to work well over a long period of time.

I would like to limit my testimony today to three aspects of the proposed highway legislation. You will be hearing from many other witnesses today and have already received detailed comments on all aspects of the proposals from local government public interest groups. The major portion of my testimony deals with the completion of the Interstate System and I will touch briefly on the MPO process and the Federal-aid urban program. If people tend to be a little emotional out here in getting into the I-90 issue, it's because of several reasons I would like to underscore before I go into the statement here. We have unique problems out here because of the rapid growth. I think it therefore gives us a different perspective of the needs and what happens. We had an example just 2 weeks ago when the I-90 corridor was closed for a brief period of time. One only had to live through that to see what happens in the downtown area. We literally were stranded. We see a very urgent need to move people, and when I say move people, I'm talking about cars and very critical HOV requirements of transit, and carpooling, and vanpooling that we do out here very successfully. We have had an example of what happens if we do not and are not able to proceed. I cannot say that strongly enough. Those of us who have had some strong feelings about the endless building of freeways recognize that the particular corridor has one of the highest accident rates in the country, at least in the State, just fatality rate, has to have some solutions brought to it. So you will hear some statements about this.

Both Senate proposals would redefine "completion" of the Interstate System to make it an achievable goal. The redefinition limits interstate completion to a maximum of six lanes in areas over 400,000 in population and precludes eligibility for certain design features which exceed that required for a minimum acceptable service level. This proposal would have a severe impact on completion of the I-90 project in our region. As Washington State Secretary of Transportation, Duane Berentson, has testified, the 8-mile I-90 project from I-5 to I-405 is ready to go. All necessary rights-of-way has been purchased and construction is underway. The State has developed a plan to complete the segment in stages as Federal money becomes available. The project received EIS approval as an 8-lane facility. Approval was specifically based on the inclusion of several key design features to improve transit access and flow and to ameliorate environmental and social impacts. The approved design resulted from intensive, interlocal negotiations and has withstood lengthy challenges in court. The proposed redefinition would make many of the critical features ineligible for interstate completion funding.

You have already heard from a number of community and State leaders who have made reference to the completion of I-90 between Seattle and Bellevue. And it is because the project is ready to go now after just literally decades of debate. I might say that it has been scaled down several times in the process to its present design. And this was done only after a great deal of discussion and adoption by the various member jurisdictions in the region to a memorandum of understanding. Should that fall apart, this whole project falls apart and we would be back at ground zero. The legislation being reviewed today may have a critical implication for the project. Several speakers have expressed severe concern over the impact that some legislative provisions would have on the ability to complete this critically needed facility. Where as each speaker may offer a number of different suggestions regarding specific changes in the proposed legislation, they are of a mind in supporting the 3-2T-3 design as an essential element of the I-90 project.

I would like to depart briefly from what I understand is Mayor Royer's testimony. It is essential that carpool and transit lanes be retained. These projects in the I-90 corridor can only be seen as of the highest priority for funding for safety improvements. One part of the mayor's prepared testimony did make reference to a statement by Governor Spellman. That statement has been the subject of some subsequent clarification by Secretary of Transportation, Duane Berentson, that the State is proposing to have a phased construction, not a scaledown project.

I would like to now speak briefly to the section 134 position. As the region's metropolitan planning organization [MPO], the Puget Sound Council of Governments provides a forum for local and State officials to cooperate in selecting and planning transportation projects. This cooperation has benefited project sponsors as well as the communities affected by the projects. Earlier this year the administration considered striking section 134 of the Highway Act which would have seriously weakened this cooperative process resulting in litigation and other delaying measures we have been largely able to avoid. Local elected officials from throughout the country contacted Secretary of Transportation, Drew Lewis, and Federal Highway Administrator, Ray Barnhart, to explain the value of the MPO process and urge continuation of section 134. I am pleased that both the administration's and your bill retain section 134 so that we can continue to work cooperatively within our urban areas to solve our transportation problems.

Senator Symms, you and the cosponsors of S. 1064 are to be commended for recognizing the vital role the Federal-aid urban system program has played in enabling local officials to meet critical transportation problems in our urban areas. While the Federal aid is only a portion of our total local transportation budgets, it is a critical supplement to severely restrained local and State resources. Under the administration's proposal to eliminate the FAUS program, our region would lose $8 million annually.

Your proposal would continue the program and make some improvements in its implementation. We are concerned, however, about the negative impact on local governments of a lower authorization level and a higher required local share. I strongly urge you to reconsider these two changes.

Over the past several years, local, elected officials have been working for a block-grant approach with urban highway funds provided directly to designated recipients in the larger metropolitan areas, such as those over 1 million population. This would allow for the most efficient use of the funds to meet critical local needs and priorities. The MPO, as a body of local, elected officials, could serve as the designated recipient to coordinate development of the regional programs and expenditure of the funds. I urge you to include this further step forward in your proposed legislation.

I again want to thank you for this opportunity to present the views of the Puget Sound Council of Governments on the proposed legislation. We are delighted to have you in Seattle. We are working on getting the sun out for you and we will be very happy to answer any questions.

Senator **Symms**. Senator Gorton has assured me he will take care of the sun this afternoon.

Ms. **Williams**. Thank you.

Senator **Symms**. Thank you very much. Ernest Geissler, Washington State Association of Counties.

STATEMENT OF ERNEST GEISSLER, DIRECTOR, COUNTY ROAD ADMINISTRATION BOARD, STATE OF WASHINGTON

Mr. **Geissler**. My name is Ernest Geissler and I am director of the County Road Administration Board and I am pleased to have the opportunity to appear before you today and make a statement on behalf of the County Commissioners Association of our State, and the County Engineers Association.

Our two associations understand and appreciate the efforts being made by the administration to restructure the distribution of Federal gas tax funds. We are willing to accept, as a basic premise, the fact that the Federal Government cannot, and perhaps should not, be involved in either the construction or maintenance of local roadway systems for all time. If the Federal gas tax is to be held at its present 4-cent-per-gallon level, it becomes rather obvious that there will no longer be enough money in the highway trust fund to continue business as usual in the presently broad spectrum of Federal, State, and local level highway programs. The Federal interest, obviously, has to be first in the interstate and then in the primary systems, and we can accept that. Our testimony will concern itself primarily, therefore, with the effect of any new legislation on the local systems; that is, the rural or FAUS system and the urban, or FAM system.

Having carefully analyzed several alternate proposals, our general support is for S. 1024, the proposed Senate version, primarily because it allows us much needed time to make the changeover from our present situation to a complete removal of Federal support for local programs. We feel that the 5 years which would be available to us under S. 1024 is much more realistic than the very short 2-year period allowed under the administration's proposal. We must have the additional time to develop the necessary information with which we can go to our State legislature to demonstrate what the effect of these proposals will be, and give that body an opportunity to address the problem of developing alternate revenue sources to replace what we stand to lose under these proposals.

I'd like to call your attention, once again, to a matter which I mentioned to you earlier this year—on April 29 in Washington, D.C.—that is very important to us in the State of Washington when we talk about Federal highway funds. We have made good progress with the certification acceptance [CA] process in our State and are pleased with the additional freedom of movement it gives us. Unfortunately, however, it applies only to those parts of the process presently covered under title 23. We would like to see other Federal requirements covered at the same time; for instance, the National Environmental Policy Act and the Uniform Relocation Assistance and Land Acquisition Policy Act. We feel that whenever adequate State laws exist to cover these and other topics, they should be substitued for Federal laws. The emphasis needs to be on compliance with the intent or purpose of these laws, rather than on compliance with the process as frequently is the case. We feel that this can be more effectively accomplished by having CA expanded to cover the entire process.

We are a bit apprehensive about the proposal in S. 1024 to eliminate the FAUS and FAM systems as we know them now, because we feel that the systems approach has worked very well over the years, and we have made very significant accomplishments because of these systems. On the other hand, since we are, by definition, ardent supporters of local control, we would support the proposal to eliminate the systems as we know them, and to substitute simply a rural and an urban system where the moneys could be spent almost any place the local officials should feel most appropriate. We are fortunate in our State that a very good level of understanding and cooperation between State highway officials and local, elected officials exists and we are confident that local government would still get a fair share of both the rural and urban system's money. In some States, however, this could present a serious problem and we suggest that your committee take a careful look at this part of your proposal.

With regard to the matching ratio, we would give a cautious endorsement to the 50/50-match proposal contained in S. 1024. I should mention, however, that some of our elected officials, especially those representing smaller counties, are concerned that a 50/50 match might prohibit them from any participation in the program since they already have very limited resources. It is suggested therefore, that perhaps some provision be made for deviation from the 50/50 match in what might be considered hardship cases. One possible approach might be to allow not only a more advantageous matching percentage, but also, for instance, to accept the value of donated right of way as local match.

With regard to the bridge-replacement program, we are pleased to see that it is being retained in every proposal. We support the change in S. 1024 that would simply remove the present 35-percent ceiling on expenditures for off-system facilities. We are deeply concerned, however, that our State's share of bridge replacement funds is cut from a fiscal year 1980 level of $26.4 million to a fiscal year 1982 level of only about $7 million. We would urge that FHWA be asked to make a careful review of the inventory information which led to such a drastic reduction of our State's share of these funds.

I would close by saying on behalf of our county officials that we appreciate your committee's efforts to be aware of what we are thinking about the various proposals. We deeply appreciate your coming to our State and listening to what we have to say. We are proud of what we have accomplished in our State through the use of the various Federal-aid highway funds that have been made available over the years. We feel that we have used every dollar to good advantage and we will continue to do so as long as any dollars are available If it does, in fact, become necessary to cut the programs off entirely, all we ask is that we have enough time to develop other effective revenue sources.

Senator **Symms**. Thank you very much. Before you sit down, the State of Washington counties have a great deal of responsibility, as I understand it, in the development of secondary systems. How does this work different from other States, as you understand it, and what do you think would happen if the secondary system is removed from the Federal Government involvement after 1983?

Mr. **Geissler**. Well, we feel that to remove them by 1983 would not give us anywhere near enough time to convince our legislature those funds need to be replaced and that is why we are supporting S. 1024, which would allow approximately 5 years. We need to do a big job in documenting what our needs are and in working with our secretary of transportation in developing what would then have to be some new revenue sources to replace the Federal funds we would lose.

Senator **Symms**. How about the off-system bridges? What would the impact to the State be on that?

Mr. **Geissler**. As I understand, the off-system bridges would still be included, and we feel very strongly that the off-system bridges need to be included because we still have many off-system bridges that need to be replaced.

Senator **Symms**. Do you feel that the Federal funding of the MPO has been a worthwhile effort?

Mr. **Geissler**. I don't think I can comment on that, sir.

Senator **Symms**. Any questions?

Senator **Gorton**. I do for Mr. Peterson.

Senator **Symms**. I have one more here. How is your safety program for railroad crossings in the State of Washington?

Mr. **Geissler**. We have made good progress through the cooperative efforts through State agencies, the DOT and Utilities and Transportation Commission and the Federal funds which have been made available through the safety program. We have upgraded a great number of railroad crossings. There is still a lot more to be done, but we have made good progress.

Senator **Symms**. Where are you approximately in completion of this?

Mr. **Geissler**. I would guess probably half-way, talking now about our rural crossings.

Senator **Symms**. We had some of our witnesses the other day from Colorado and Wyoming testify that they felt that we were overdoing it on rural railroad crossings. Do you agree with that?

Mr. **Geissler**. Yes, and we are now negotiating with FHWA and we feel that there are perhaps administrative possibilities of reducing the requirements. For low volume rural crossings the present standards, yes.

Senator **Symms**. Thank you very much.

I think Senator Gorton wanted to ask Mr. Peterson some questions.

Senator **Gorton**. Neil, you spoke to the importance of maintaining the I-90 configuration, which has now been accepted by the community which includes two transit lanes. Those lanes would be exclusively for transit and outside of peak hours, certain kinds of trucks as well?

Mr. **Peterson**. No, it's my understanding they would be exclusively for transit and carpools. A memorandum of agreement, actually there's a triggering mechanism that says once the movement in those lanes, which could include other cars initially, gets to the congestion point where it reduces the speed of our buses below 45, then it becomes exclusively transit and carpools.

Senator GORTON. I see, but in offpeak hours it could be used by other traffic as well?

Mr. PETERSON. I would have to check.

Senator GORTON. Do you allow the current HOV lanes, such as the ones you showed us in your picture, to be used by carpools, anything other than transit itself?

Mr. PETERSON. Every lane we have in the system now can be used by transit and carpools and it is only in the peak hours, and in the offpeak hours, the lane is not used such as the shoulder in the picture that you saw, there for safety reasons, or could be used by anyone.

Senator GORTON. You also spoke to the fact that you hoped to have as much as 113 miles of HOV lanes on the interstate. You have 6, maybe 12, if you double it in connection with the I-90 project, now where are the rest of them going to come from, will they all be like those pictures, the use of current shoulders, is there a proposal to limit the use of some of the current free lanes on I-5, for example, to HOV?

Mr. PETERSON. We don't have any proposal to actually take a lane such as California. Most of them involve some construction. For example, the one under construction now, the first one is Interstate I-5 north project coming out from Snohomish County all the way in on the express lanes into downtown. It would include a lane going south past Southcenter, a very expensive component is the S-turns on 405 near Renton. That would require additional construction there, no way of providing HOV lanes without construction. On the other hand, 405 going from Coal Creek up to Bellevue we can just improve the shoulder and do it. In some cases improving the shoulder, and in other cases, construction is necessary.

Senator GORTON. On the uncompleted portion of I-90 the only way you can get an HOV lane is if you can have the 3-2T-3 configuration.

Mr. PETERSON. Right. There would be chaos if we took a lane on that.

Senator SYMMS. Thank you very much. I have no more questions. I appreciate all the witnesses that testified on this panel. I was just going to suggest here, we have about 10 minutes before noon and maybe we can hear from panel No. 4, our California panel. Are they all here, Lawrence Dahms, Nancy Coss-Fitzwater, Wendell Cox?

If we could hear from Lawrence Dahms.

Thank you Lawrence. Why don't you go right ahead.

STATEMENT OF LAWRENCE D. DAHMS, EXECUTIVE DIRECTOR, METROPOLITAN TRANSPORTATION COMMISSION OF THE SAN FRANCISCO BAY AREA

Mr. DAHMS. Mr. Chairman and members of the committee, I am Lawrence Dahms, executive director of the metropolitan transportation commission of the San Francisco Bay area.

Before I begin, I want to thank the chairman and other members of the committee for conducting this and other in-depth transportation field hearings. In Federal terms, the metropolitan transportation commission is the metropolitan planning organization [MPO] and the designated recipient for Federal public transportation programs. We also have a broad mandate from the California State Legislature to: Establish highway and transit capital priorities in our region, approve all State and Federal transportation grant applications, and allocate over $150 million of State and local funds for transit and highway projects.

In my remarks today I will focus on the committee's bill, S. 1024, and illustrate the need to maintain the Federal commitment for the local roads program. We generally support the principles embodied in S. 1024 which would limit interstate project eligibility and expand the current 3-R program to include reconstruction. These actions are supported by the fact that the Interstate System is nearly complete, much of the system is in need of modification or repair, and Federal funds are limited.

The definition of interstate project eligibility needs to be sufficiently tight to avoid confusion among State, local, and Federal governments as to which projects meet the "GAP" definition and which projects would then be competing for 4-R funds.

Whatever definition is accepted, the development of priorities for projects that would be excluded from the interstate program, but eligible under the expanded 4-R program, will be of concern to local officials. In our region we have several important interstate widenings, high occupancy vehicle [HOV], and interchange modifications. The competition for limited 4-R funds will be keen. We believe that MTC has demonstrated the value of having a regional agency work with the State and local officials in developing regional priorities.

One specific concern we have regarding the interstate program is the interstate transfer program. We currently have a $88 million interstate transfer project in San Francisco. Rail, bus, and road improvements are contemplated in the substitute program.

Right now we understand that there is a backlog of $5 to $6 billion in this program. Continued Federal legislation should assure that these commitments will be honored and that these funds can be used for rail extensions.

Of greatest concern to local officials is the administration's proposed elimination of, and the committee's proposed matching ratio reductions for, the Federal-aid urban [FAUS] and Federal-aid secondary [FAS] programs. We are opposed to any reductions in these programs.

The Federal Government has made a commitment to an entire transportation system. The FAU and FAS programs are vital to this system. Local officials view these programs as the most important part of the Federal program and also believe that these programs assure some equity in the distribution of Federal gas taxes which are collected systemwide.

These programs are also an increasingly important source of needed construction funds. Almost all current local revenues are programed to maintain existing streets and roads.

This conclusion is illustrated by a just completed regional assessment of local street and roads maintenance needs.

Mr. DAHMS. The report reveals that bay area cities and counties are only able to budget a third of what is necessary just for cyclical street and road maintenance. We are about to reach the point when more expensive preventive maintenance techniques will be required to maintain our local streets and roads system.

In conclusion, we recognize our State's responsibility to generate additional State funding for transportation, and we are actively supporting State legislation which would raise these much needed funds. At the same time, we believe that the Federal Government should preserve its longstanding commitment to the Nation's transportation program. In the months ahead we look forward to working closely with you, Mr. Chairman, and your committee in shaping Federal highway legislation which will enhance and preserve this partnership.

I thank you very much for the opportunity to appear before you Mr. Chairman, and I would be happy to answer any questions you or any other members of the committee may have.

Senator SYMMS. I just want to ask you one question before we go on, What is the user's fee for California?

Mr. DAHMS. Seven cents, plus 4 cents Federal for a total of 11 cents, so we are substantially below the Washington figures you have just heard. There is a proposal pending before the State legislature and assembly ways and means committee right now which would increase it to 9 cents, which would roughly double truckweight fees, registration fees, driver's license fees, to produce more than a half a million a year in additional revenues. That bill has cleared the Senate, it has cleared the transportation committee in assembly, is before ways and means. The Governor has just recently indicated his support for the bill, so we are hopeful we will make that small step in our direction.

Senator SYMMS. Thank you very much. Nancy Coss-Fitzwater.

STATEMENT OF NANCY COSS-FITZWATER, ORANGE COUNTY TRANSPORTATION COMMISSION

Ms. COSS-FITZWATER. Mr. Chairman, Senator Gorton, I am Nancy Coss-Fitzwater, a staff member of the Orange County Transportation Commission. Our commission is responsible for programing Federal and State f[illegible] for transportation projects in Orange County, Calif. I am [illegible] pleased to take part in your west coast hearing on the Federal highway program. My remarks today will focus on the Federal-aid interstate [FAI] and Federal-aid urban [FAU] programs within the context of pending legislative proposals.

As you may know, Orange County is located on the southern California coast between Los Angeles and San Diego Counties. Prior to the post-World War II housing boom, our county was largely agricultural. In 1940 the county population was 131,000; in 1950 it was 216,000, and by 1980 had grown to 1.9 million residents, an almost 15-fold increase in just 40 years. Recently released 1981 population figures put Orange County over the 2 million mark.

Orange County has experienced rapid growth, a trend which is expected to continue, albeit at a more moderate rate. By 1995, Orange County will have 50 percent more residents. More significantly, in terms of the transportation infrastructure, we have forecast a doubling in county-based jobs and a 108-percent increase in daily person trips over the same period.

These facts are staggering and magnified by the fact that Orange County is not isolated. More than half of these trips will be made in the Santa Ana Freeway, I-5 corridor.

Frankly, Mr. Chairman, I find these facts staggering, particularly when I recall that Orange County is not isolated, but bridges Los Angeles and San Diego Counties. These three counties together represent more than 5 percent of the U.S. population, and fully 6 percent of our gross national product. It is clear that the economic vitality of these three counties is of national significance.

While locally we find ourselves projecting growth and continued development, we also foresee a rapid decline in our economy unless we positively address the central issue: Transportation.

Our commission believes thats the most cost-effective way to preserve mobility in our county is to invest in a combination of multimodal improvements, including improvements to the road network, transit system, and train service. I am here today to share our thoughts with you on those improvements to the road network that are of national significance.

Interstate 5, locally known as the Santa Ana Freeway, is of critical importance to our county's ability to keep people and goods moving to and from jobs and production facilities. This facility is the single artery linking Los Angeles, Orange, and San Diego Counties. The Orange County portion was built in the middle and late 1950's to the rural and suburban design standards in vogue at the time. Few improvements have been since the freeway was completed. We are now living with an outdated, substandard facility which cannot accommodate today's traffic, let alone that projected for the future.

The Santa Ana Freeway is a six-lane facility through most of Orange County, with widening to eight lanes underway on a segment through San Clemente in the extreme south county. Contrasting sharply, I-5 has been expanded to eight lanes in our neighboring counties to the north and south, forcing all traffic through a six-lane Orange County bottleneck.

I-5 through Orange County is now beyond its design life of 20 years, with some segments reaching 25 years of age. The facility is deteriorating rapidly and is in need of major reconstruction, deterioration is noticeable; pavement has cracked, separated and buckled in some places, sunk in others. We are beyond the point where routine maintenance and rehabilitation efforts will suffice. Pavement engineers tell us that much of the Santa Ana Freeway should be reconstructed.

Heavy commercial truck usage, presently comprising as much as 13 percent of the total traffic on some segments of I-5 in Orange County, has also contributed to the facility's deteriorated condition.

The future will undoubtedly place additional burdens upon this already outdated facility. By 1985, less than 4 years from today, traffic volumes will approach 200,000-plus vehicles per day over 75 percent of this six-lane facility. This translates into levels of service E and F [stop-and-go driving conditions] for more than 12 hours per day. The traditional peak hours will be spread over 6 to 7 hours in both the morning and afternoon, with a brief hiatus midday.

The Orange County Transportation Commission believes that the reconstruction of Interstate 5 in Orange County is of national significance and should receive a high priority. However, in our judgment, the investment needed to reconstruct I-5 would be fruitless without attendant plans to expand the facility to at least eight lanes and make other ancillary system improvements. We believe the Federal responsibility should be to preserve an Interstate System that works. Reconstruction of the existing six-lanes facility alone will simply serve to improve a multimillion-dollar parking lot.

Accordingly, our commission supports a shift in the Federal highway program emphasis to accelerate completion of a redefined Interstate System and expand the interstate 3-R program to a 4-R program including much needed reconstruction. With the increased emphasis on interstate 4-R, we support a higher Federal participation rate of 90 percent for this program. We believe the national priority over the long term should be to protect and preserve the enormous Federal investment that has been made in our network of interstate highways.

Furthermore, we believe expansion of interstate facilities to eight lanes in major urban areas where it can be justified should be eligible for interstate 4-R funding. Special consideration should be given to funding additional lanes on interstate segments which connects with segments having more lanes so that bottlenecks are minimized. In addition, improvements to substandard freeway-to-freeway interchanges on the Interstate System and improvements to overcrossings and interchanges needed to make the interstate route function adequately with the State and local road system should be included within the definition of an interstate 4-R program.

As you well know, our Federal interstate and primary systems do not stand alone, but are intricately interwoven with a network of State highways and local arterial roads. In urban areas such as Orange County, the Federal-aid urban program has been a major funding component for the transportation infrastructure. Because the FAU program is extremely flexible in its application, it has been highly responsive to local needs. In Orange County, the Federal-aid urban program is about a $7 million per year program, funding a myriad of projects including signal interconnects, widenings, park and ride lots, and transportation centers.

Although it is difficult to characterize any single FAU project as being in the national interest and therefore deserving of Federal funding, we believe that, on the whole, there is a continuing Federal role and responsibility in preserving and augmenting the urban transportation system. Let me explain. The relationship between I-5 and the FAU system in Orange County cannot be overstated. Because I-5 is severely congested, the adjacent surface streets—many of which are on the FAU system—are overtaxed with traffic that would otherwise be using the freeway. It is difficult to distinguish between Federal and non-Federal responsibilities in these circumstances.

We recognize, however, that a Federal urban transportation program may not be of the same importance as the interstate or primary programs. Consequently, the Orange County Transportation Commission supports the proposal embodied in your bill, Mr. Chairman, to reduce the Federal participation rate from 75 to 50 percent. We believe a lower Federal participation rate will result in more effective use of these funds.

Any reshaping of a Federal urban transportation program should include a long, hard look at the maze of redtape associated with the existing Federal aid urban program. From our vantage, the existing requirements are unnecessarily burdensome and mainly serve to stretch project development and construction activities over years instead of months.

Finally, I would like to comment briefly on the Federal aid primary program. Our commission views the Federal system of primary highways as clearly a Federal responsibility, second only to the Interstate System. We think the primary program works well and should be continued without major change.

I would like to thank you again for the opportunity to appear before you.

Senator SYMMS. Thank you very much. I have just one quick question, what is the major reason the State of California lags so far behind in user's fees on gasoline?

Ms. COSS-FITZWATER. I think there has been a resistance under the existing administration to increase the gas tax since 1974.

There have been several legislative proposals in that time. In addition to the 7-cent user's tax, we have a gasoline sales tax imposed which is available to transit and urban areas and can be used for either transit or streets and roads in rural areas of the State.

Senator SYMMS. But most of it goes to rail.

Ms. COSS-FITZWATER. Most of it goes to the support of bus transit systems in the urban areas.

Senator SYMMS. Thank you, very much. We do have questions, but we will move on to Mr. Wendell Cox.

STATEMENT OF WENDELL COX, COMMISSIONER, LOS ANGELES COUNTY TRANSPORTATION COMMISSION

Mr. COX. Thank you, Mr. Chairman, Senator Gorton. I am Wendell Cox, a city of Los Angeles appointee to the transportation commission, which is a body which includes not only the mayor of Los Angeles but five county supervisors of Los Angeles County and three representatives, elected representatives of the cities in Los Angeles County outside of Los Angeles. Our organization is responsible for prioritizing and providing funding for Federal and State agencies for the entire mass transit and highway programs within Los Angeles County.

Sort of to follow up on some of the comments made by Ms. Coss-Fitzwater, Los Angeles County is the hub of the second largest urbanized area of the United States. Within Los Angeles County we have about 7½ million residents at this point. The urbanized area including Orange County and parts of Ventura and San Bernardino Counties is nearly 10 million people at this point, and of course, we are all famous for having a very significant freeway system and I suspect, to some extent, nondependence on transit. Since transit has been discussed by several of you this morning, I think it is important that we make you aware of the fact that over the last 7 years our transit ridership in Los Angeles County, in fact in the urbanized area, has more than doubled to where now every day more than 1.6 million people ride transit for one purpose or another.

I think in my testimony you will also notice some perhaps subtle differences between our position and the position taken by the California State Department of Transportation. Neither we, or I think Orange County, is rushing forward seeking to transfer money that would otherwise complete a very important interstate highway project to transit. We have some mass transit projects that are important, but at the same time, we have some highway projects that are very important to our situation as well.

I would just like to summarize the testimony which we have already submitted to you and go from there.

One comment, Senator Symms, with respect to the Ventura Freeway. We are very aware and sensitive to the cost of this project which we are committed to building. Finally last week we were able to get State to commit to building, along with the Federal Highway Administration. A $1.5 billion project for a 17-mile project is very expensive. However, I think there is another way of looking at this project and that is based upon the fact of the kind of daily rides that it will provide. Besides HOV lanes, which will provide as much as 50,000 rides daily, the number of automobiles carried by that facility will be about 190,000 which compares to an average of 6,000 or 7,000 vehicles in the less heavily traveled interstate, say in northern California. So besides the mileage issue, the issue of use on the Century Freeway, which makes it much more justified, and a lot more significant.

Through the years there has developed, of course, through the States and the Federal Government a partnership which has developed a rather significant freeway system throughout this country and much of our system in Los Angeles County. We have at this point about 500 to 600 miles of freeway in Los Angeles County and we are not seeking to increase the size of that system very much. To close the gaps that need to be completed at this point is less than 30 miles. We need some spot widening projects and, of course, within 30 miles of gaps to be completed is the Century Freeway project, which at this point is planned to be a six-lane project with two HOV lanes. We need assistance on feeder routes into our freeway, and of course maintenance has become a very big issue as we have sought to keep our freeways open under the very heavy traffic which they carry. We favor authorization level of the administration bill of $31 million, would like to see a level of at least that much. We feel this completion of our system in Los Angeles County will require a program that returns to California at least the same apportionment that it has been historically receiving out of the interstate funds. We would like to see flexibility in the interstate completion program to permit State construction of projects, advanced commitment, and a very critical issue is the issue of the number of lanes permitted under the new interstate program.

Essentially, the agreement that was reached in Washington last week would build a six-lane, plus two-HOV-lane freeway. In order to build that freeway, we would need to have the present proposals amended to permit that wide a program.

In addition to that, the project that the representative from Orange County indicated was of some great importance, the Interstate 5 project, that roadway is six lane through most of Los Angeles County, the 20 miles before it gets to Orange County, and in order to carry the volume of traffic, we do need to expand that to eight lanes and add HOV lanes which we had planned to do which would be impossible to do with the six-lane restriction.

In addition to that, on our Harbor Freeway, which just 2 years ago was designated as an interstate route, running from downtown Los Angeles to the Harbor area, we are looking at putting in a busway as well. At this point that is eight lanes, which would preclude us from being able to add the HOV lanes. We would urge you to widen the lanes restrictions to at least eight lanes plus HOV lanes for the interstate completion program.

We favor the Secretary of Transportation having the discretionary authority to allocate interstate funds to complete sections of roadway that are not open to the public or for large projects relative to the State's share. We would like to see the 50-percent lane miles, 50-percent vehicle miles formula to be included in the 4-R as well.

With respect to the Federal aid urban systems, we would like to see this program continued. We would like to see the match level kept at the present rate rather than being lowered.

I would also like to say with respect to the FAUS program, that Los Angeles County, we are providing our vanpool matching system moneys out of that and in Los Angeles, because of the great dispersion of residential and employment densities, the vanpool and the carpool are really the wave of the future. We are going to need to increase our transit system significantly, but given the land-use patterns in Los Angeles County, we cannot rely on transit alone. We must also have a significant increase in vanpooling and carpooling.

I would like to suggest that we are very pleased with the results of the Federal funding of urban highways and freeways over the past 25 years. We appreciate the support we have received from Washington and we thank you for the opportunity to speak to you this morning.

Senator SYMMS. Thank you very much. Very excellent statement. Jackie Bacharach?

STATEMENT OF JACKIE BACHARACH, MEMBER, TRANSPORTATION AND UTILITIES COMMITTEE, SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

Ms. BACHARACH. Mr. Chairman, Senator Gorton, my name is Jackie Bacharach and I am the mayor of the city of Rancho Palos Verdes, which is in Los Angeles County and vice chairman of the transportation and utilities committee of the Southern California Association of Governments. We call ourselves SCAG.

I am here representing the executive committee of the Southern California Association of Governments (SCAG). SCAG's executive committee consists of local elected officials who serve as policymakers on regional issues affecting more than 10 million residents of the southland. As the Metropolitan Planning Organization (MPO) for the six-county southern California region, SCAG has been assessing regional transportation needs since the adoption of the first regional transportation plan in 1975.

I am here today out of our concern for rehabilitating the existing highway system in providing for travel needs of the future generations. I would like to summarize the testimony I have handed in and speak to four parts of the bills under consideration.

First, the completion of the Interstate System; according to the Department of Transportation, California ranks second in the Nation with 2,314 interstate miles. The SCAG region itself contains approximately 1,000 miles of interstate and we have about 30 miles which remain to be completed. The committee bill authorization level over a 5-year period is the minimum acceptable financial level. We are very sensitive to Congress scaling back interstate construction and redefining project eligibility. We would support flexible project definitions, one that fully addresses travel demands in southern California. The level of service should be consistent with surrounding transportation infrastructure, gaps should be eliminated, construction staged, and the design of high-occupancy vehicle lanes where appropriate.

With regard to rehabilitation needs of the existing Federal aid system, our freeways and highways, as you have heard, are traveled to capacity and during peak hours, they are overloaded. Probably 90 percent of the region's freeway and express lanes has been built prior to 1970, which means that it has reached half of its designed service life. Additionally, routes such as I-5, I-10, I-110, and Route 101 were constructed between 1940 and 1960. We support in both bills the inclusion of the reconstruction category under an expanded 3-R program.

Also, in the administration's bill we support a 50-percent lane, 50-percent vehicle lane apportionment formula and the administration's recommendation for an increase to 90 percent in the Federal share.

In regard to FAU and FAS programs, we strongly support their continuation through 1986. Local highway financing is fraught with uncertainties. While support seems to be divided on the issue substituting block grants for local in present urban and rural programs, SCAG members agree there should be less redtape, as you have just heard related to FAU funds, more flexibility in meeting priority needs. We are concerned that the State's role in priority spending dispenses with the expense or exclusion of the local elected official involvement. Block grant funding is acceptable provided that the State's suballocations utilize joint decisionmaking by local elected officials in the metropolitan planning process.

Another area of concern is FAU's programs requirements that project funding must be used in 1 fiscal year plus 2 calendar years. The funds can be transferred out of the region by the State if the project is not developed within this time frame, and often this time frame is unrealistic. Therefore, we urge that that condition be changed and employer funds allocated for the metropolitan area or urban projects be used in that area.

Under the financing recommendation, the current administration is directing local officials and State officials to seek solutions to problems which we traditionally share and to assume more of the administration of the programs which have been heavily funded in the past. We could accept this major new direction if the Federal Government provided a reasonable transitionary period. In view of this approach, we support an extension of the Federal highway trust fund as an equitable means of financing highway improvement. Users should continue to pay for improving the system. However, the trust fund which is supported by the 4 cents per gallon of excise tax has been shrinking due to inflation and a decrease in revenues. As one example of the financing mechanism, we would recommend that this committee promote legislation that would convert the present unit tax to an ad valorem tax on the price of wholesale gasoline. The revenue generated by the increased tax could be set aside and earmarked for a 100-percent return to the States. The States would be required to enact legislation within a specified period of time, perhaps 2 or 3 years, which would increase the gasoline tax and thereby trigger the 100-percent return of revenues collected and held in the highway trust fund. States should be given the latitude to spend money returned on any highway project desired. All States that fail to enact such legislation could be eligible for a minimum apportionment.

In summary, we have proposed a stronger Federal, State, and local partnership in federally funded highway programs and a well balanced and sufficiently financed effort that assures all levels of government that the highway investment will be retained and offer future generations that we have today. For decades we have had a partnership between the governments and we believe that a well balanced and properly financed system is in the national interest.

We sincerely appreciate the opportunity to speak here today and on behalf of SCAG, I want to thank you.

Senator SYMMS. Thank you very much. I think in view of the hour and the excellent testimony you have made your points very clear.

We will recess the committee until 1:10.

AFTER RECESS

Senator SYMMS. The committee will resume.

I would just like to state that I feel there has been a lot of valuable input that was presented this morning that will be helpful to the committee. We do have some time constraints this afternoon. We have to have the hearing completed by 3 o'clock at the absolute latest. So I would like to ask all those who are testifying to condense their statements to just 5 minutes and we will leave a little bit of time for questioning if Senator Gorton and myself have some questions.

Panel No. 5, if you will come forward, the first witness on panel No. 5 is Mr. Bruce Olsen of the AAA Association of the State of Washington.

Next is Gus Beuker, president, Oregon Highway Users Federation, Wes Bogart, Washington Highway Users Federation, Woodrow Wilson, executive director, Oregon-Washington Farmers Union, and William Barber, Ackerley Communications, Inc.

Bruce, please go ahead.

STATEMENT OF BRUCE D. OLSEN, MANAGER, PUBLIC AFFAIRS, AUTOMOBILE CLUB OF WASHINGTON

Mr. OLSEN. Mr. Chairman and Senator Gorton, my name is Bruce Olsen and I am manager of the Public Relations Department of the Automobile Club of Washington. We do appreciate the opportunity to testify today on the Federal-aid for highways program. I have submitted written remarks and my verbal testimony will be brief.

Senator SYMMS. Your entire statement will be a part of the record.

Mr. OLSEN. We do believe that top priority must be given to closing essential interstate gaps not now open to traffic and to accelerated completion of those segments which are open to traffic but which have not been completed to full design standards because of stage construction.

However, the AAA firmly believes provisions in S. 1024 that allow the Secretary of Transportation to redesign incomplete portions of the Interstate Highway System to be inadvisable.

An environmental impact statement for an eight-lane, Interstate 90 has been approved and construction work on the project should proceed at once. Any tampering with the current 3-2T-3 lane configuration would only cause more needless and expensive delay.

We would urge the Secretary's authority to redesign Interstate completion projects exclude I-90 and I-182 in the Yakima/Tri-Cities area.

Interstate 4-R. AAA believes that the next most important objective in any new highway program is the preservation of the capital investment already made in the Interstate System. Limited provisions is already made for this through the 3-R program. A fourth category, reconstruction, should be added and funds should be increased substantially.

We endorse a distribution formula that recognizes the number of highway miles to be maintained, State fuel consumption and lane miles to be maintained.

We also endorse and fully support further bridge efforts in the replacement safety category.

We also recognize this kind of increased costs for call for increasing the Federal fuel tax. However, before any Federal fuel tax is a consideration, or given any weight, we would suggest that any new taxing programs include the recognition of the effect of heavy axles and miles traveled. We would suggest consideration of a Federal weight distance tax for all vehicles over 26,000 pounds registered gross weights with perhaps some form of graduated tax that would more accurately reflect the effects of axle weight impact on the highway program. However, other taxes currently making up the tax package of the trust fund must also be increased so as to preserve an equitable mix of taxes reflecting degree of responsibility for the necessary capital expenditures.

Now that will conclude my verbal remarks.

Senator SYMMS. Thank you very much.

We would now like to hear from Gus Beuker, president of the Oregon Highway Users Federation.

STATEMENT OF GUS J. BEUKER, PRESIDENT, OREGON HIGHWAY USERS FEDERATION

Mr. BEUKER. Thank you, Mr. Chairman.

My name is Gus Beuker and I speak to you today as president of the Oregon Highway Users Federation. The federation is made up of industries, associations, agricultural organizations, and individuals who are committed to safe, efficient highway transportation.

We thank you for scheduling these hearings to learn the western perspective of transportation issues.

Highway transportation is a real bargain. Since 1956, motorists have only had a 1-cent-per-gallon increase in the Federal gas tax. That increase, from 3 to 4 cents per gallon, was 22 years ago. We're still paying only 4 cents per gallon. However, with real costs rising, what have we saved over the years?

Good roads are essential to economic recovery. Jake Landon, chairman of the Highway Users Federation, has testified before this committee saying that "America cannot improve its industrial productivity, cannot achieve economic progress, cannot serve its citizens with a second class highway system." We agree. The better the roads, the lower are the costs of transportation.

Western States have experienced tremendous growth recently. With this growth come heavy pressure on urban and suburban transportation systems. Roads and streets designed years ago for lesser demands must be expanded and replaced. Industrial development has accompanied the growth of population. Good highways are needed to encourage plant location and expansion.

To provide for the mounting needs of America's highways, we may need to increase user fees. The Highway Users Federation determined recently through a poll of its members, that business people will support increased user fees that are solely for highway purposes. These fees must be equitably assessed among all classes of users.

We strongly support early completion of the Interstate System with a redefinition of essential gaps. The longer we wait, the more we pay. Interstate travelers between Oregon and Washington badly need I-205 and I-82 completed and on line as soon as possible. We are concerned, however, with provisions of the proposed legislation which may call for construction of interstate segments too small for the demand In some cases, this would make a highway obsolete before it is opened to traffic.

The highway trust fund should become permanent. The large surplus in the fund must be drawn to a level in keeping with the regular flow of funds. We resent having highway user fees stored in surplus to make the Federal deficit appear to be less than it is.

The 4-R program with a new 90 percent Federal/10 percent State matching ratio is a good step, reinforcing Federal responsibility for the interstate now that it is nearly complete.

Bridges in our country are in a very serious state of deterioration. According to the Second Annual Report on the Highway Bridge Replacement and Rehabilitation Program, 21 percent of Oregon's Federal-aid and off Federal-aid bridges are deficient. Bridges need our immediate attention.

The vast network of county roads which seem hardly used to some people, are the main arteries of the "farm to market" system. Now, in addition to feeding and clothing Americans, agriculture products constitute a large share of America's exports and contribute to a positive balance of trade. These roads must be maintained and improved if we are to indeed have economic prosperity.

In the area of traffic safety, we believe that consolidation of safety funds will provide greater flexibility for State traffic safety offices to respond to the needs of their respective States. Elimination of roadside hazards needs our continued support and funding should be from a single category.

The 55-mile-per-hour speed limit has proven to be a double-edged sword—helping to conserve gasoline and saving many lives. Retention of a strong 55-miles-per-hour speed limit is essential to the safety program as well as the energy program. We urge strong Federal support for the 55-miles-per-hour speed limit.

Once again, Mr. Chairman, thank you for coming to Seattle. These hearings demonstrate the great concern we all share for protecting the investment we have made in our highway system.

Senator Symms. Thank you very much for your very excellent statement.

Wes Bogart, Washington Highway Users Federation.

STATEMENT OF WES BOGART, CHAIRMAN, WASHINGTON HIGHWAY USERS FEDERATION

Mr. Bogart. Senator Symms, Gorton, I am Wes Bogart, chairman of the Washington Highway Users Federation.

Our federation is made up of the same particular group of people that the Oregon federation is made of. I would like you to recognize that our members are producers and consumers of highway transportation services and products.

We want to express to you our thanks for scheduling this hearing in a location where western views of pending highway legislation can be heard.

The State of Washington has experienced tremendous growth in recent years, which is expected to exceed the national level. By the year 2000 Washington's population is expected to increase 54 percent from the 1979 level. Vehicle-miles traveled are expected to increase by 35 percent in 1980.

With this growth, the Washington State Legislature has been a leader in recognizing the associated transportation needs. This State has a dedicated users tax and was the first in the Nation in 1977 to establish a percentage fuel tax which was updated this year. In addition, recognizing the importance of completing the Interstate Highway System, approved of a bond program providing all local match for the remaining interstate needs. As a result of legislative action this year, this State is now ready to respond to a Federal commitment to complete the Interstate Highway System.

We strongly support early completion and preservation of the Interstate Highway System to an acceptable service level. To complete the system we support the principle of redefinition to assure completion of essential remaining gaps such as those on I-82, I-90, I-182 and I-705 in our State. We disagree with the concept of limiting the construction on remaining segments to a design which reverts to a 1956 concept of the interstate. We do concur, however, with the removal from the interstate completion cost estimates those sections which are not likely to be built. Exemption should be given to those which have received environmental and design approval by the DOT Secretary prior to the date of new legislation.

A new method of apportionment to the States must be developed allowing those States, such as Washington, to move rapidly into construction if they are able to do so.

We support added emphasis on the 3-R program and expansion to the fourth R to include reconstruction and changes in Federal-State funding relationship to 90-10. This clearly reinforces Federal responsibility for preservation of the system and provides a method for State prioritization of those additions to the existing system that have been ballooning the interstate cost estimates over the last 20 years.

Washington State, similar to others in the Nation, has a deteriorating road system, at a rate faster than restoration can be funded. In 1980, 25 percent of Washington's roads were rated critical or substandard.

As a result of this trend, the redefined 4-R program does require expanded funding, therefore, we support the concept of a permanent highway trust fund with the present $10 billion balance drawn down, permitting obligations to exceed current receipts. If projected revenue is insufficient, steps should be taken to propose changes in highway user charges.

By Federal standard, 835 bridges in our State are classified deficient, with many having reached well over their life expectancy and are being held together only by the exceptional ingenuity of maintenance forces. We believe the bridge replacement and rehabilitation program should be continued with added Federal dollars.

We endorse the establishment of a national commitment to the interstate and primary systems and that the secondary and urban system should become a local responsibility, however, due to prior commitments on the secondary and urban systems by Federal involvement, time is needed for this transition, allowing local jurisdictions to determine methods of funding continuity.

In the area of traffic safety, we are concerned that in 1980 1,000 people lost their lives on Washington highways, roads and streets and although we believe in program category consolidation there should remain a Federal awareness of traffic safety and an encouragement for the States to maintain programs commensurate with their individual needs.

Mr. Chairman, throughout these comments you have heard our recommendations for additional funding on specific programs. We recognize this is contrary to present national policy to reduce Federal expenditures, but referring these needs is simply postponing the inevitable, resulting in increased future costs. The highway users are prepared to accept increased charges if they can see visible results and if these charges are equitably distributed among the users of the system.

Thank you.

Senator SYMMS. Thank you very much for a very excellent statement.

Woodrow Wilson, executive director of the Oregon-Washington Farmers Union. Is Mr. Wilson here? If not, we will hear from Mr. William Barber.

STATEMENT OF BILL BARBER, VICE PRESIDENT AND REAL ESTATE MANAGER, ACKERLY COMMUNICATIONS, INC.

Mr. BARBER. Thank you, Mr. Chairman.

My name is Bill Barber. I am a vice president and the real estate manager for Ackerley Communications, Inc. In the Pacific Northwest, our company owns and operates outdoor advertising structures in the Puget Sound metropolitan area in the State of Washington, and in the Portland-Salem metropolitan area in the State of Oregon.

I began in the outdoor advertising business in Portland, Oreg., in 1959 and I have worked in this industry in the Pacific Northwest since then. That's more than 21 years. During those 21 years, I believe I have seen, heard, and coped with probably every proposed outdoor advertising control imaginable. I've also seen, heard, and coped with probably every attitude about billboards imaginable, and that includes private, public, and political attitudes.

I think it's very interesting that, although political attitudes seem to change once in a while; such as the great society movement, then the environmental movement, now we seem to be in a deregulation movement; the public attitudes, particularly about billboards, remain pretty constant. Back in 1960 an issue was placed on the ballot for the entire State of Oregon and the question was whether or not to have billboards on the highways in Oregon. The vote was to have them. Thirteen years later, the same issue was on the ballot for the city of Seattle and the people voted to have them. The ratio was about 2 to 1, and the interesting part is that the percentages were almost identical in both elections.

We are now faced with the question of whether or not to continue the Federal Beautification Act. This question poses some very interesting thoughts. If the Federal act is discontinued, then the control will go back to the States. There will probably be some changes made. Oregon, for example, has a number of very attractive tourist facilities that people can't find. The problem has been so profound that the State itself has gone into the billboard business in a big way and has expanded the logo program to primary highways in the form of directional signs. The attempt here is to replace the billboards that were removed under the Federal Beautification Act. For all practical purposes, both Oregon and Washington have completed their billboard removal programs.

Contrary to what most people think, our industry supported the Federal Highway Beautification Act at it's inception, and we support it now. The provisions of the act are straightforward in their simplicity and extremely logical.

First of all, billboards are a business and belong in areas zoned for commerce and industry. The exception would be a business that needs a directional sign even though there is no land zoned for one, such as the tourist facilities I mentioned. Second, there needs to be environmental controls on billboards such as size and spacing. Third, and most importantly, is the requirement that just compensation be paid for the removal of lawfully erected signs. In our country, if a person or a company builds a structure whether it happens to be an outdoor advertising structure, or any other kind of structure, and obtains all the necessary permits and meets all the requirements of the current laws that are in effect at the time, he should not be required to just give up, walk away from, or lose the investment, just because the law is changed. If someone's property is needed, or needed to be removed in the interests that are best for the public, it is only fair that the public purchase the property and pay for it.

As important as the dollars themselves, is the requirement of dollars. We consider the Pacific Northwest and the city of Seattle, a very wonderful and beautiful place in which to work and live and raise our families. I don't know how long you've been in Seattle, or how long you will stay, but I do hope that you will get a chance to really see the city. I hope you will take note of the billboards while you're here. Billboards need not be incompatible in this city of many, many scenic views, if they are properly placed. I submit to you a resolution recently adopted by the Seattle City Council after agreement with our company. This resolution provides that approximately 200 outdoor displays will be removed in a 2-year period. About 50 have already been removed. Many of these structures will be replace in areas compatible with the city code which has requirements of size, lighting, and spacing, as well as the prevention of placing structures in a scenic area. Many of these structures would require that compensation be paid, but we are removing them without compensation because we believe we have come to a fair and reasonable agreement. However, it is important for you to know that the requirement of payment was necessary to bring about this agreement. We are in the process of working with other cities and counties along these same lines and we expect to remove and replace many structures at our own expense, but the Federal presence with the requirement of compensation is absolutely needed to bring about fair and reasonable ordinances.

We have no real objection to turning the control of outdoor advertising signs over to the States, provided that there be kept in force a Federal requirement that compensation be paid for the taking of property, including billboards, and this needs to be spelled out very clearly so everyone can read and understand it.

I thank you for the time you've given me and I'll be glad to answer any questions you may have.

Senator SYMMS. Thank you very much. I might ask just one question before you sit down, and see if Senator Gorton has any questions he wants to address to you. If the Federal law controlling billboards were repealed, wouldn't the billboards that are remaining, have the same protection under the law as any other piece of property?

Mr. **Barber**. Yes; I believe that they do but I also believe this, and I have an undying faith in our judicial system, the best courtrooms in the world will not equal a good piece of legislation.

Senator **Symms**. So in other words you're saying we need just compensation?

Mr. **Barber**. Yes.

Senator **Symms**. Do you have any questions, Senator Gorton?

Senator **Gorton**. What is your philosophical justification for saying that the people of the State are not competent to make that decision?

Mr. **Barber**. I don't know that I did say that. The State of Washington does have a law that parallels.

Senator **Gorton**. You are saying we should not repeal the Federal law which we haven't funded for a number of years now. What is your justification for saying that this isn't a matter for each State to decide for itself?

Mr. **Barber**. I'm not quite sure that we are understanding each other, Senator.

Senator **Gorton**. Senator Stafford's bill simply repeals the Federal law relating to billboards and therefore allows each State to make its own decision on that question.

Mr. **Barber**. This is true.

Senator **Gorton**. What is your philosophical justification for opposing allowing the people of each State to make that decision for themselves? Why should it be made by the Congress?

Mr. **Barber**. I think it should be made by the Congress, Senator, because if it isn't spelled out very, very plainly, that if a State chooses to remove its billboard without paying compensation, nothing is going to happen one way or another. It's going to end up in court and be there for years and years and years.

Senator **Gorton**. And that's not something the people of the State of Washington should be allowed to decide for themselves?

Mr. **Barber**. The people of the State of Washington have already decided that. We have a State law requiring compensation for the removal of billboards.

Senator **Gorton**. So the people in some other State who have not already passed such a law should not be allowed to decide the question for themselves?

Mr. **Barber**. I don't think I'm saying that. I think it would be very, very plain and simple and I think it would be very, very fair if it were made a Federal law.

Senator **Gorton**. Thank you, Mr. Chairman.

Senator **Symms**. Thank you very much.

I wanted to ask a question of Bruce Olsen. Maybe I should first ask the Highway Users of Washington and Oregon if you feel that there is an equitable distribution of trust fund moneys to all classes of users of the highways, and if not, what you would do to improve that.

Mr. **Bogart**. It seems to me as far as the distribution formula is concerned along the line of other people who have testified this morning, there seems to be a role of game playing, one-upmanship as far as the interstate cost estimates are concerned. My statement, you will recall, did indicate that the interstate cost estimates have ballooned substantially in a matter of the past 20 years. That has been on the basis of the fact that in 1956 the Interstate System was to be the basic system that the administration was presently talking about. Over the period of time each State who has the opportunity to get together with the Federal Highway Administration continually add additional lanes to augment traditional lanes, park and ride lots, highway beautification costs, and consequently the cost estimates has gotten a little out of shape as far as each State's proportionate cost of the Interstate System. I think there needs to be brought back into play the actual costs of completing the remaining Interstate System. Those allocations would then probably be more realistic than we have had in the past few years.

Senator SYMMS. Thank you.

Do you want to comment on that, too?

Mr. BEUKER. Thank you. I wasn't quite certain whether you meant the allocation between the States or within the States. Some comments have been made about consolidation under the Federal Aid Highway Act. But otherwise, in general, I would agree with the statement of Mr. Bogart.

Senator SYMMS. Bruce, did you suggest a tax on anybody who has 26,000 pounds and above.

Mr. OLSEN. Yes, the weight distance tax.

Senator SYMMS. Are you trying to tell us then that you don't think the trucks are paying their fair share right now?

Mr. OLSEN. We think that just increasing a Federal fuel tax doesn't equally address the funding situation. We think that doing the basically puts about 89 percent of the burden on the light truck owner-car owner.

Senator SYMMS. But a truck pays a fuel tax, too, doesn't it?

Mr. OLSEN. But I think a weight distance tax, looking at especially the one just recently completed in Tennessee, that a larger proportion of the damage, I think the exact figures was somewhere over two-thirds, excuse me, 96.8 percent of highway wear and tear comes from that much larger over 26,000-pound vehicle. I think it's our feeling that a weight distance tax, more than just increasing the fuel tax, more fairly addresses that situation.

Senator GORTON. The weight part of that is easy enough to determine. How are you going to determine the distance?

Mr. OLSEN. That has been done in a number of States. I'm not adequately adverse to give you a whole breakdown how that is done but Oregon does it. I think there are other States.

Senator SYMMS. How did you get 26,000 pounds, why not 25 or 30?

Mr. OLSEN. I think 26,000 pounds was used in this study done in Tennessee, based on a number of other studies that addressed truck weights, used that as an average weight.

Senator SYMMS. If you've got an equitable fuel users fee, why would it be necessary to have anything other than that?

Mr. OLSEN. Excuse me. Senator?

Senator SYMMS. If you feel the users fee is so much tax per gallon or percentage of what the price is, what the fuel sells for, whatever, why is it necessary to differentiate between sizes?

Mr. **Olsen**. Automobile costs compared to wear and tear on a bridge or highway that a large truck causes is a great deal more.

Senator **Symms**. What if it has enough axles?

Mr. **Olsen**. I think that even if you distribute over the axles, most of the studies that have been done show that large trucks cause considerably more damage than a pickup truck or your average passenger car. I think our address was that the owners of vehicles have no objection to paying their fair share of what it takes to complete the interstate or bridge replacement. What we are saying is that heavier vehicles, commercial trucks should be looking at something a little more equitable than just the fuel tax considering the damage to the highway and the roadbed itself.

Senator **Symms**. Senator Gorton?

Senator **Gorton**. I don't have any further questions. I did want to tell Mr. Olsen that I appreciate the way his written statement sets out priorities with great clarity. It is a question I have asked of a number of others as to what his organization feels are the proper priorities for Federal aid to highway programs. I think it's a very, very good statement.

Mr. **Beuker**. Excuse me, Mr. Chairman, perhaps you were asking Wes and myself with respect to the relative proportion of highway funds paid by trucks versus cars. There is a cost allocation study about to be completed at the Federal level. I don't know what will come out of that, yet. And quite frankly I don't know what total percentage of the Federal highway fund is paid by commercial users because there are so many forms of tax, excise tax, on rubber tires, batteries, everything. In Oregon we have recently completed a study and we do have a weight mile tax and our most recent city, I believe, increases the truckers' share to 45 percent, and we feel, we go along with the study to support that. But, as far as the weight on vehicle trucks is concerned, and our organization supports uniform truck rate regulations, weight and length regulation on the Interstate System. If any weights are increased, again, we are not opposed to increasing our allowable weights, we are saying as long as a proportionate share of the cost that accompanies those weight increases is borne by the transportation, trucking industry.

Senator **Symms**. Thank you very much.

That completes panel No. 5.

If there are no further questions, I think all of you have testified.

Panel No. 6, Reginald Frye, president of Central Contractors Association; Larry Darnell, Seattle chapter, Associated General Contractors; Jack Kalinoski, Oregon-Columbia chapter, Association of General Contractors.

Is Reginald Frye here?

He's not here. His statement will appear in the record. (See p. 828).

Larry Darnell?

STATEMENT OF LARRY DARNELL, ASSOCIATED GENERAL CONTRACTORS OF AMERICA, INC.

Mr. **Darnell**. Mr. Chairman, Slade Gorton, thank you for the opportunity to testify today on the Federal aid highway program. I am Larry Darnell, president of Lakeside Industries, a local construction company based here in Washington State. We are members of the Seattle chapter of the Association of General Contractors of America. The Seattle chapter, AGC has more than 180 general contractor members engaged in highway and heavy construction, in building construction and in utility construction. The chapter has nearly 600 associate members who are subcontractors, manufacturers, equipment dealers, and other construction support businesses.

Before addressing the specific needs we face in Washington, let me state that we support a multiyear bill which will provide funding through at least fiscal year 1986 and which extends the highway trust fund through 1990. Frankly, we feel that the fund should be extended indefinitely, because there will always be a need for large amounts of money to maintain the great highway system we are building. We are in favor of establishing an accelerate 4-R program and continued Federal aid to the primary system and bridge replacement.

In Washington, we have three major projects remaining to complete our portion of the Interstate System. The first is 1-82/1-182 in eastern Washington. The second is Interstate 705, the Tacoma spur, and the third is Interstate 90 from Interstate 5 in Seattle to Interstate 405 in Bellevue. We also have what would be a major 4-R project on Interstate 5 in Olympia. Each of these projects is critical to the residents and businesses in the respective areas. Each of these projects has FHWA design approval, has satisfied the requirements of environmental impact statements and the State legislature has approved the sale of revenue bonds for the State's share of the construction. In other words, Washington is ready to proceed with construction if the Federal money is available.

Interstate redefinitions in both S. 1024 and S. 841 do not recognize the needs of States like Washington which are ready to proceed. We recommend that redefinition of the Interstate System apply only to those unfinished sections which have not obtained FHWA design approval, completed evaluation from an environmental standpoint and received commitment for State matching funds.

Apportionment formulas should be adjusted to provide priority to States which are ready to go. The impact of such action may not be as expensive as you might anticipate. Highway construction is extremely competitive with low bids reflecting the lack of available work. The competitiveness among highway contractors will help hold the costs down. Projects the size of these interstates will provide jobs for thousands of workers. No one contractor has the permanent work force to complete these jobs. Successfully bidding contractors will be hiring the skilled and semiskilled unemployed improving the local economic climate.

Anticipated apportionment formulas for completion and 4-R are a roadblock to closing out Washington's interstates. By basing formulas on the total cost to complete a project rather than on the State's posture of readiness to proceed, the cost of the finished project will be higher than necessary. Without additional obligation authority or large amounts of discretionary funds, projects such as Interstate 90 will be prolonged and more costly as inflation, at any rate, diminishes buying power.

It also appears that 4-R funding may not be adequate to address minimum needs. To allow States transition time to adapt to their additional responsibilities we would recommend that 4-R funds be distributed for several years based upon the following formula: One-third lane miles, one-third on lane miles traveled, and one-third on the cost of items deleted from the 1981 interstate cost estimate.

Without such considerations for definition and apportionment, a good part of the Interstate System in Washington may never be completed. Washington is growing rapidly. The existence or nonexistence of a completed Interstate System will not affect that trend. Travel over so-called temporary portions of the interstate will become even more hazardous as businesses expand and our population grows. In 1980, 2.5 million short tons of containerized cargo moved through Seattle Harbor. The Port of Seattle projects that figure to almost double by 2000. Twenty to 25 percent of that volume is transported east over Interstate 90. That is only one of hundreds of examples of the increasing need for a complete Interstate System in Washington.

As stated earlier, we believe that the highway trust fund should be extended indefinitely. Such action would allow a reduction of the funds's balance to cash flow needs releasing money necessary to begin construction of higher cost projects.

While we support the concept of returning the responsibility for secondary and urban roads to the States, we feel that transition should take place over a longer period of time than provided in S. 841.

Last month a representative of the National AGC testified before the House Public Works Subcommittee on Surface Transportation on the topic of long-term highway needs. The substance of his recommendations were that at the appropriate time, consistent with our Nation's economic performance, the highway trust fund be extended indefinitely; the Federal motor fuel tax be increased and indexed to some measure of inflation; the cash balance in the trust fund be reduced to the minimum level for cash flow purposes, the imposition of obligational ceilings be discontinued and that any fuel which propels a vehicle over the highways be taxed. We support those recommendations.

In summary, we urge you to enact a law which focuses on timely completion of the Interstate System by considering the State's readiness to proceed rather than on total project cost.

Mr. Chairman, thank you for conducting this session in Washington and for listening to the contractor side of this issue. We will be happy to respond to your questions now or provide further written testimony as your time permits.

Thank you.

Senator SYMMS. Thank you very much.

Jack Kalinoski.

STATEMENT OF JACK KALINOSKI, OREGON-COLUMBIA CHAPTER, ASSOCIATED GENERAL CONTRACTORS

Mr. KALINOSKI. You have a copy of my written testimony, Mr. Chairman, and in the interest of time I'm going to skip the first page and go directly to the second page and if I can read half as fast oraly as I read silently, I will be done in 5 minutes.

Senator **Symms**. Good.

Mr. **Kalinoski**. With regard to the completion of the Interstate Highway System, it is our feeling that this should be the No. 1 priority of the Congress when considering programs involving the Federal highway trust fund. Interstate travel for the delivery of goods and services and for the convenience of the motoring public in a safe and economical manner is of extreme importance to the welfare of our country. This has been stated many times in many ways and is at least as important now as it was when the Interstate Highway System was conceived more than 25 years ago. Reiterating those reasons at this time would serve no useful purpose.

We recognize that the construction of some of the remaining segments of the Interstate Highway System will create genuine environmental impacts which in turn will require the expenditure of large amounts of available highway funds to minimize those effects. We would suggest that the Congress encourage each State to schedule as rapidly as possible the construction of those segments of the Interstate Highway System that require the least amount of expenditures to minimize environmental concerns. In other words, it is our suggestion that within each State emphasis be placed on planned interstate highway projects where the greatest amount of benefit will accure to the motoring public with the least amount of adverse environmental concerns.

Recently, it was reported that 73 percent of Oregon's most heavily traveled roads are substandard. Fourteen thousand four hundred miles of road are in moderately or severely deteriorated condition. It has been reported that these bad roads cause the average Oregon driver to waste 145 gallons of fuel each year. The total annual wasted fuel consumption in Oregon amounts to 271.4 million gallons. Driving over bumpy, broken pavement is reported to cost Oregonians $437 million more each year. The obvious conclusion from these statistics is that the expenditure of money to rehabilitate existing roads is one of the most cost-effective programs that governments could provide.

But again, obviously, all of these problems cannot be solved as quickly as we would desire. Here again, we feel priorities must be established. For the most judicious use of available Federal funds, we are of the opinion that consideration should be given to reducing the Federal involvement of States' highway programs to only those highways that are of true national concern. Certainly, the entire Interstate Highway System is demanding of congressional attention. In all likelihood most, but certainly not all, of the Federal aid primary system would be of national concern. But, we believe only a small portion of the Federal aid secondary highway system falls into that category.

Going one step further, we believe the Congress should take a hard look at the efforts that are being made by the State and local governments to raise highway revenues to meet their most pressing needs. Oregon, for instance, whose departments of transportation faces a shortfall of $520 million within the next 4 years just to preserve the State highway system, has increased its State gasoline tax by 1 penny and is asking the voters to approve a phase-in of an additional 3 cents over the next 3 years along with a proportionate increase in the weight-mile tax paid by truckers. Oregonians, as well as the citizens in other States, seem to be quite willing to accept road-user tax increases if they know that money will be used for the preservation and rehabilitation of their existing road system.

The Congress, we feel, could be of great assistance by adopting a Federal aid program that will focus in on and concentrate on those most pressing problems facing States and local governments.

Along this line, we would encourage the Congress to reduce the number of categories in the Federal highway program and consolidate the purposes for which the Federal road-user tax money is allocated. Certainly, the need for highway work varies greatly within the different regions of the Nation, and perhaps extensively even when comparing one State to another within each region. Each State, we feel, has a better grasp of its most critical needs than the centrally located Federal Government. For this reason, block grants from the Federal highway trust fund to each State would make good sense. This would allow each State to apply Federal aid moneys, on projects of the highest priority irrespective of the classification of the road. This is the type of flexibility that we feel is needed for the States to achieve maximum efficiency when applying all available revenues to highway needs.

We read the other day that each year 150 bridges throughout the Nation are taken out of service because of their inability to carry even normal traffic loadings. While the Congress has provided for a bridge replacement program, the amout allocated is not enough to keep pace with the needs and the program does not operate in a manner that allows bridgework to take place within a short period of time when emergencies occur. Replacement of bridges as well as major preventative maintenance, are issues that often demand immediate attention. If the Congress were to consolidate the various cagegories and allow each State the flexibility and the authority to determine where allocated Federal grant money from the trust fund will be expended, such bridgework could proceed in the most rapid manner to prevent the disruption from a failing bridge.

How am I doing?

Senator SYMMS. You've used your 5 minutes.

Mr. KALINOSKI. Mr. Chairman, there are two areas that I would really like to cover and I'll skip over to page 6.

Our chapter of the Associated General Contractors is very concerned about the funding of projects that have been substituted for withdrawn interstate freeway segments. Within the past few years, three freeway segments in Oregon were removed from the interstate system at the request of the State and the affected local governments. The people were assured that money would be available from the general fund of the United States to finance needed highway, road, and street projects selected as substitute projects for the withdrawn freeways, and that the amount of money available would be equal to the estimated cost of completion of those withdrawn freeway segments. In recent months, we have been given information indicating that the Congress may not honor the commitment made when the local decisions were finalized. Failure to honor those commitments would, in our estimation, be detrimental to the public's perception of the credibility of Government and would thoroughly frustrate the efforts of a large number of people who have been involved with the conception, design and funding of the local share of these projects, many of which are ready to be built but cannot be started because of the unavailability of the promised Federal funds. For these reasons, we consider it to be of the greatest importance that the Federal Government not renege on its promises to the people in those States who acted in accordance with terms and conditions prescribed by an act of Congress.

And the last thing I want to mention, Mr. Chairman, and I will not read it, is that we object to the use of the Federal highway trust fund as a form of budget balancing.

Senator SYMMS. Thank you very much. You referred to some statistics with regard to additional fuel use because of deteriorating highway. Was that a specific study?

Mr. KALINOSKI. Yes. The American Association of State Highway and Transportation officials developed criteria for determining these features. That has been applied, that criteria has been applied to the conditions of many roads and highways and streets throughout the Nation, recently completed, within the past 6 months or so.

Senator SYMMS. Would it be possible to make that report available?

Mr. KALINOSKI. I would be very happy to. Perhaps I should send it to you. (See p. 804.)

Senator SYMMS. That would be fine. Appreciate it very much.

Mr. KALINOSKI. Incidentally, you were asking questions concerning truck expansion and I would also point out to you that, I'm sure you're not aware, that the State of Oregon DOT recently did a cost-responsibility study, completed just prior to the beginning of the year. They concluded that trucks should pay 45 percent of the revenues into the State highway fund and automobiles 55 percent based on an empirically designed cost-responsibility study. The tax rate for weight-mile tax as compared to the fuel tax and others are such that they will——

Senator GORTON. I will ask you the same question I asked previously, how do you determine weight-mile tax? How do you determine the mileage?

Mr. KALINOSKI. The truckers are required to keep logs and they are audited by the public utilities commission in Oregon.

Senator GORTON. I would like to thank you for a good statement. You have set the priorities that your organization sees as appropriate in a very clear fashion.

Senator SYMMS. I want to ask one question to both of you, you're both in the construction business, and the cost of construction has been going up faster than the rate of monetary inflation, I think it has been about 20 percent a year in the last few years. What do you expect in the future in road construction?

Mr. KALINOSKI. The cost-of-road construction in Oregon has increased by 400 percent, slightly over 400 percent, I think 408 percent over the last 15 years. It's horrendous. The low bids, however, during the first half of this year for work let by the Oregon Department of Transportation has been at 85 percent of the engineers' estimates. What we expect in the future is very difficult to say. The

OPEC nations are meeting I believe today, Mr. Chairman, and what they decide will have a great affect on the highway construction costs in the future.

Mr. **Darnell**. Right now the marketplace is extremely competitive. In the past I would say, last 8 or 9 months, virtually every bid in the State of Washington has been under the estimate and some dramatically under the estimate. We don't expect that to change in the near future unless the cost of oil were to go up unexpectedly and we think that right now with the money being as tight as it is, highway work will stay real competitive for some time. There are regulations we should be adding that will help in lowering the costs of highway construction.

Mr. **Kalinoski**. The Davis-Bacon Act.

Mr. **Darnell**. On the Davis-Bacon Act your people only use union wage. They do not use the prevailing wage, which would be the average. When you read the book, the Davis-Bacon Rules, they just take them out of the union book and that's exactly where they take them out of.

Mr. **Kalinoski**. I probably should expand on my remark. There's nothing wrong with the Davis-Bacon Act. It's the administration of the act and I personally have been given new union wage scale for the State to the U.S. Department of Labor and 3 weeks later seen them printed in the Federal Register.

Senator **Symms**. You think that could be done administratively?

Mr. **Kalinoski**. I think it will take action on the part of Congress to require changes.

Senator **Symms**. Thank you very much. Any further questions?

We will move on to the next panel, Ross Gaussoin, Washington Trucking Association and Pat Halstead, Washington Railroad Association.

STATEMENT OF ROSS GAUSSOIN, WASHINGTON TRUCKING ASSOCIATION

Mr. **Gaussoin**. Mr. Chairman and members of the subcommittee, my name is Ross Gaussoin. I am here today as spokesman for the Washington Trucking Association.

We would like to express our appreciation to Senator Symms and Senator Gorton as well as other members of the Subcommittee on Transportation and their staff members for taking time to provide us an opportunity to discuss the present highway program as it effects our more than 1,000 Washington State trucking company members.

We have had an opportunity to review the presentation of Duane Berentson, secretary of the Washington State Department of Transportation, and wish to offer our support for his programs of: completion of Washington State's interstate program, expansion of the current interstate 3-R program to a 4-R program, a continuation of the current primary, secondary, and urban programs, continuation of the current bridge replacement program, and category consolidation and safety programs as has been outlined.

The members of the Washington Trucking Associations have consistently supported the development and proper maintenance of our State's outstanding highway system. We have just as consistently supported the imposition of those taxes necessary to adequately fund these construction and maintenance programs. We will continue to do so asking only that highway taxes be used only for highway purposes, that the unjustified diversion of these funds into a variety of other areas be immediately curtailed. Use of highway generated funds for such purposes as mass transit, school bond retirement, parks and recreation, and other such uses are an unjustified imposition upon the owners of motor vehicles. The trucking industry's position has consistently been that our industry will support the necessary funding required to maintain our investment in our existing highway plan. Highway trucks exceeding 26,000 pounds in gross vehicle weight represent only 1.1 percent of total private and for hire motor vehicle registration, yet those trucks pay better than 25 percent of the total Federal highway trust funds paid by all highway users. The trucking industry is clear in its position that heavy trucks are paying more than their fare share of the expenses occasioned in constructing and maintaining our country's highway system. All trucks presently pay in excess of 42 percent of all State and Federal highway taxes. In the State of Washington that figure is now exceeding 44 percent.

The trucking industry has long recognized the need for soundly financed highway construction and maintenance programs and continues in the position of supporting equitably distribution of highway costs between the industry and the balance of the motoring public.

Along with supporting proper cost sharing, the industry has supported the efficient and sound use of those facilities recognizing that it carries the primary individual burden of paying the bill and, accordingly, must support use which will not overburden the system.

The structure of Federal legislation, which maintains maximum load factors for axle weights and vehicle sizes, coupled with State prerogatives under appropriate "grandfather provisions" for excesses beyond the Federal provisions, provides the best marriage of Federal and local interest in the highway program.

The Western States are much more reliant on highway transport as a result of a shortage of competing transport modes (rail and water) as well as the greater distance between markets and the sparser populations in those markets.

Consequently, the demand for more efficient highway vehicles has been stronger and the response by Western State governments has been appropriate to that demand.

Longer truck combinations operate through the principal Western States providing lower cost transportation and lower traffic densities (less trucks using the highways) than is true in the Eastern part of the United States. Larger units generally consist of the more efficient triples combinations (maximum length 105 feet), Rocky Mountain doubles (maximum length 85 feet). All of the above combinations have operated in the Western States for up to 15 years (triples in Oregon) and have accumulated hundreds of millions of miles of experience to prove their safety, efficiency, and public acceptance. The longer combinations not only benefit the public as a result of higher efficiencies (less costly transportation charges), but also benefit the public as a result of reducing truck space consumption on the highways and reducing vital energy consumption, exceeding 30-percent savings in the case of triples as compared to standard twin trailer combinations.

Continuation of "local option" in allowing States to meet their transportation needs efficiently through appropriate legislative recourse where such options do not damage the Federal investment in highway facilities recognizes the best interests of all participants in our shared highway facilities.

Presently proposed legislation by Senator Cannon as presented in S. 1402 is supported by the trucking industry. This legislation would accomplish two badly needed improvements in Federal size and weight legislation through the establishment of minimum standards with which the States must comply: One, the legislation would set a uniform combination length of not less than 65 feet for multiple unit vehicles as has been the standard in the State of Washington and throughout the Western States for many years. This provision would eliminate present restrictions to the economic and safe use of twin trailers throughout the country. Present restrictions against the efficient "twins" inhibit the free flow of commerce to 17 eastern seaboard States.

Two, the legislation would set a uniform minimum permitted trailer width of 8½ feet on those Federal highways having a lane width of 12 feet. This, again, has been common practice in the State of Washington for a number of years. Eight foot industrial increments are common in virtually every industry from manufacturing to construction. Existing 8 foot limitations on trailer widths in many States prohibit the maximum loading efficiency of highway trailer equipment. Expansion of existing 8 foot width on equipment would allow 8 foot material to be loaded into vans in the width dimension and increase loadability as much as 50 percent on many commodities as well as improve vehicular stability.

The motor carrier industry is severely handicapped today in its efforts to gain increased productivity and greater efficiency in transportation, particularly in use of fuel by its inability to operate in every State with a reasonable set of minimum truck size and weight standards.

We believe the time has come for the Congress to consider the negative economic impact of the present size and weight provisions in the Federal law and to take action to require the States to permit vehicles of the type for which the highways were basically constructed and which, where permitted to operate, have proven so well their efficiency and productivity.

The trucking industry would save nearly 140 million gallons of fuel if all States permitted trucks to operate at the 80,000-pound-gross-weight level and the 65-foot length required for twin-trailer operations.

The two principal problems our Nation confronts at the present time are the energy crisis and inflation. If Congress continues to allow the States necessary flexibility the Western States can, as they have already clearly demonstrated, make significant strides toward the reversal of these two dangerous situations.

We appreciate the opportunity to testify before your committee and in closing, we would urge your support of S. 1402.

Senator SYMMS. Thank you very much. I would like to say that I am a cosponsor of that legislation with Senator Cannon.

Senator Gorton, do you have any questions?

Senator GORTON. No.

Senator SYMMS. Next is Pat Halstead, Washington Railroad Association.

STATEMENT OF PATRICK HALSTEAD, ASSOCIATE DIRECTOR, WASHINGTON RAILROAD ASSOCIATION

Mr. HALSTEAD. Senator Symms, Senator Gorton, I am Patrick Halstead, associate director of the Washington Railroad Association, officed here in Seattle, representing class 1 railroads operating in the State of Washington. We appreciate the opportunity to appear before you and present our views on Federal highway legislation. The railroads are interested in Federal highway legislation because highways and railroads obviously have an interdependent system with both positive and negative effects as a result. Class 1 railroads may even operate as trucking subsidiaries. You only have to observe rail traffic as I did as I traveled back to the State of Washington 2 days ago, passing through your own State of Idaho and noticing the number of trailers on flatcars and other such containerized freight, much of which travels by truck as well as rail to know that the two systems are married together. So we have a logical interest in the highway legislation.

One of our first interests, however, has to do with a matter that was brought up earlier, rail-crossing safety. We have supported the program which really got off the mark in about 1973 to upgrade-crossing safety in the United States with Federal backing and that project is still under way. It was envisioned that some 30,000-some-plus crossings in the United States would need this type of backing, and at this time because of the slow start of that program, we feel that they are only about halfway through. That was borne out by the testimony that Mr. Geissler gave earlier. After a slow start, the program is just now really beginning to roll and we would certainly be opposed to any cessation of that program or to the markedly reduced funding levels.

We recognize, however, that the funding levels are probably going to fall, which is beyond our control. The railroad industry would strongly urge you, however, to continue the rail-highway-grade-crossing improvement category at a level of at least $200 million per year. That's our wish list. Certainly that is borne out, I think, by the improvement we have seen in safety as a result. That is the bottom line.

Between 1974 and this year, this last year, 1980, we saw rail-highway-crossing-safety accidents in this case drop from about 1,128 to some 704 in 1980 for a 38-percent reduction. We feel that there is a definite payoff there and we are hopeful that that will persuade you that that program requires continued backing.

I want to turn now to the other area, controversial area, of highway policy which concerns truck weight, size limits, and highway-user charges.

Motor carriers have become our most important source of competition. Since the first parts of the Interstate Highway System were opened to traffic, the rail share of intercity freight traffic has steadily declined while the truck share has grown. High quality Federal-aid highways have allowed motor carriers to reduce costs and improve service by using longer and heavier trucks and faster, more direct routes between the points they serve. Increased weight and size limits, whether the 80,000-pound-gross-weight limit now nearly universal among the States, or the much greater limits the American Trucking Association have recently proposed, would place the rail industry at a further competitive disadvantage.

Taken alone, these competitive impacts are not a problem which public policy must address. If our sole argument against raising the weight limit were its adverse potential effect on railroads, our case would not be worthy of serious consideration by this committee. But the rail industry has raised a further issue which does require consideration: What added costs will result from increased weight limits, and will heavy-truck-user charges reflect those costs? The rail industry's clear interest in this question does not detract from its importance. It is central to this Congress decision whether or not to permit increased weight limits. Failing to require motor carriers to bear the full, added costs of higher weight limits would violate the principle that each transportation mode should compete on the basis of its costs, not on the advantages it extracts from public expenditures. Such a policy would penalize not only railroads, but the motorists who have to endure deteriorating highways and will ultimately foot the bill for their repair.

The costs of heavy-truck traffic rise sharply as truck weight increases. Chart I shows the relative impact on pavement of similar five-axle trucks loaded to 50,000, 60,000, 73,000 and 80,000 pounds. The 80,000-pound truck has a 50-percent greater impact on pavement than the 73,000-pound truck. This relationship was established in the AASHTO Ottawa road test conducted in 1959 and subsequently confirmed by satellite studies in locations offering a variety of test conditions. In a recent poll of State highway officials, conducted under the sponsorship of AAA, officials in 45 out of 48 States felt that the AASHTO test findings were confirmed by experience with their own highway systems.

While pavement costs are only one element of highway expenditures, they are significant and becoming increasingly imporant as the focus of the Federal highway program shifts toward 4-R work.

The widespread increase in gross weight limits has significantly increased truck axle weights and, in turn, the costs heavy truck traffic imposes on the highways. But Federal user charges have not kept pace with increasing heavy truck costs responsibility. Federal highway user charge rates have not been increased since 1961, as Chart II shows. Nor do higher truck weights yield automatic increases in Federal user charge payments. A long-haul truck pays only about $30 more annually in Federal user charges as its gross weight increases from 73,280 to 80,000 pounds. The user charge per ton of cargo actually declines as truck weight increases. Under this user charge structure, motor carriers have gained a substantial advantage at almost no cost to themselves. This suggests that truck user charges ought to be increased.

Only a comprehensive highway cost allocation study can conclusively establish whether heavy truck user charges cover heavy truck cost responsibility. The Department of Transportation is now conducting such a study, and while its final results are not due until January 1982, the second annual progress report, released in January of this year, contains a number of significant preliminary findings and recommendations.

The Federal study has found that heavy trucks, those registered at gross weights of 50,000 pounds or more, pay user charges which fall well short of meeting their cost responsibility. The progress report recommends that user charges for this class be increased by 81 percent. Even then, heavy trucks would pay only 90 percent of their allocated share of Federal highway costs.

The progress report also recognizes that the heaviest trucks in the top class are responsible for a disproportionate share of highway costs. An 80,000-pound truck imposes substantially higher costs on the highway system than does a 50,000-pound truck. To distribute the burden of increased user charges equitably among these vehicles, the report recommends that the heavy vehicle use tax, an annual fee based on vehicle gross weight, be increased and redesigned. Under the proposed structure, an 80,000-pound truck would pay a fee nearly 60 percent higher than would a 50,000-pound truck. If this sounds high, bear in mind that, according to the results of AASHTO's road tests, a five-axle, 80,000-pound truck causes nearly three times as much pavement stress as a similar 60,000-pound truck.

All this evidence suggests that heavy trucks are paying less than they ought to for the use of the highway system. It means that motor carrier freight rates do not reflect the full costs of truck transportation and that railroads have been competing at a significant disadvantage. Inadequate truck user charges have also deprived the national highway system of much-needed revenue. The growing public impression that the highways are deteriorating is confirmed by the recent DOT report, "Status of the Nation's Highways." The amount of interstate mileage needing immediate resurfacing or reconstruction doubled—from 4 to 9 percent—between 1975 and 1978. This rate of deterioration will only increase as more of the Interstate System nears the end of its design life. The report cited the growth of the long-distance trucking industry as a major cause of the unexpectedly rapid deterioration in pavement condition.

In conclusion, the economic costs and benefits of increased truck weight and size limits are now under study at the Department of Transportation, which will soon issue a report. Should that study conclude that higher size and weight limits would be economically beneficial, the key question of user charges will remain unanswered. The railroad industry urges that this committee act on truck weight and size legislation only after Congress has had the opportunity to assess the need for changes in Federal highway user charges. This will help insure that railroads compete with motor carriers on an equal economic footing. It will also insure that funds for the repair and preservation of the National Highway System are adequate not only to meet current needs, but to cover the added costs of larger, heavier trucks in the future.

Thank you for the opportunity to testify.

Senator **Symms**. Thank you very much. There was a statement made here earlier, and I would like to ask each of you for your opinion on it. The statement was that according to estimates by FWHA, owners and operators of heavy vehicles over 26,000 pounds, pay 11 percent of the total fuel tax going to the trust funds and so 89 percent of the burden falls on light vehicle owners which cause the least wear and tear on the highway. I'm sure that the trucker would like to comment on that, maybe the railroad would like to mention too, do you agree with that?

Mr. **Halstead**. Substantially, yes, we would agree with that in the main. We looked at different figures that break it down in different weight classes. It all depends on what you call a light vehicle. When you put light-duty trucks and light pickup trucks in with other trucks, obviously you get different figures in terms of their contributions to the highway fund than if you look at only heavy trucks.

Senator **Symms**. I've got another little slip up here that shows different figures.

Mr. **Gaussoin**. I think the proper answer to that is I cannot argue with the 11 percent of the fuel tax paid in for what they call vehicles of the heavy class or 26,000 pounds or greater, but when you take the special added taxes that apply to vehicles in excess of 26,000 pounds, then considerably increase the burden to the point that those vehicles pay 25 percent of all highway use taxes and yet only constitute 1.1 percent of the vehicle population. So that we are talking about those taxes for example, the 4-cent tax on lubricating oil, the 10-percent excise tax on tractors, 10 cents per pound on tires and tubes, 5 cents per pound on tread rubber, and the Federal highway user's tax, which is $3 per 1,000 pounds of vehicle weight on those vehicles weighing over 26,000 pounds, so we have two figures and the 11 percent is reported only to show fuel tax percentage of the total Federal highway use contributions.

Senator **Symms**. Thank you very much. Senator Gorton?

Senator **Gorton**. Ross, I have one other question. You have made two points, one is that you do want completion of the Interstate System, as rapidly as possible, and the second, should we decide to raise any of the taxes with the trust fund account we should do it subverse than proportionately between the private automobile and the small vehicles and trucks? If you had to choose between those two, if you had to choose between no increase at all and therefore, slow down construction and maintenance on the system not unlike the proposed by the railroad and some of the others here today, which would you choose?

Mr. **Gaussoin**. I think I would have to say that the trucking industry is always going to take the position we feel we should have to pay our fair share. Now that share is, should be a matter for Congress to determine. To say that we would pay proportionately higher user's fees in order to aid the development of the Interstate System as a priority policy to continue the whole inequitable distribution fee structure, I think I would have to say that the trucking industry would say hold to the equitable distribution structure.

Senator **Gorton**. Thank you. That's all I have.

Senator **Symms**. One other question I have relates to the railroad crossings. If Federal funds are decreased or eliminated for railroad crossings, how much of that do you think that the railroad would be willing to pick up or could afford to pick up?

Mr. HALSTEAD. Our regional councel ought to speak to that.

Mr. TAYLOR. I am Woodrow Taylor, regional chairman of the Washington Railroad Association, also regional counsel for Burlington Northern. The framework of the grade crossing protective fund utilizing both Federal and State and local funds is on a formula, as you know, set up by the Department of Transportation many years ago and that ratio is pretty equitable. If there are no Federal funds, we are going to revert back of course to State and local governments and the problem with that is, the State has born its share of that and the local governments always have trouble finding their share. They even attempt to deduct paying their small share where the ratio is usually 90/10. We have always paid our share for designated crossings, in fact, we paid it all where it benefits us, but not where the improvement or change is solely for the benefit of the traveling public. Our position remains so. What we are concerned with Federal funds is if they are not allocated specifically for grade crossing projects, they somehow get lost and most of the time never get utilized for those purposes and we are hoping in the interest of safety there would be an appropriation.

Senator SYMMS. Thank you very much. I appreciate both of your very excellent statements. We do have one last panel, but before we proceed with that panel, I will call on my former colleague from the House, Congressman Norm Dicks and we would like to hear from you now Norm, so please go right ahead.

STATEMENT OF HON. NORMAN D. DICKS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON

Congressman DICKS. Mr. Chairman, I am delighted to see you here in the great State of Washington. Senator Gorton, it's nice to see you again. First, let me thank you for the opportunity to speak on the Federal-aid Highway Act.

Senator SYMMS. I'm being treated a lot nicer today than I was the time I came over here to meet the Washington Huskies.

Congressman DICKS. I hope you will forget. I know that must have been a very difficult experience. Losing is not easy. You have obviously learned from it and prospered. But, it is good to see you here and we really appreciate you coming and bringing the committee so people in our State can have a chance to talk with the committee and having its staff here as well on this important issue. This is very important to the State of Washington as it is to the State of Idaho and I know the Senator will take this testimony and consider it carefully and the decisions you have got to make rather quickly about this important program.

We in the Congress have the duty and the opportunity to assess the progress of our Interestate System and consider its future. We are all concerned about what the affect of any such reconsideration will be on our particular State, on our particular highway project, but those of us in Congress have an added concern, what can the Nation afford. How will our definition of the Interstate System have to change to bring it within the realm of the possible, not just desirable? We have begun the process of cutting back Federal spending in all of the many areas that Government spending now supports. We have just had an opportunity to cast our votes on perhaps the most sweeping budget and tax reform since the New Deal era and our efforts to restructure the Interstate System is just one part of the greater effort to scale down Government's participation in the daily lives of the American people. I am also concerned in the context of this legislation about the provision which is both the administration bill and the Senate bill that gives the Secretary of Transportation absolute discretion to remove segments of the Interstate System. I would certainly hope that this committee in considering the powerful tool would make certain if it is to be included, I would prefer that it wouldn't be, that there would be conditions laid out that would protect important segments of the Interstate System, particularly those added by Congress making certain those provisions would be protected.

Though we need to carefully consider the options available to us, we are facing a time constraint. Our new fiscal year begins October 1. In order for funds to be apportioned to the State, cost estimates must be adopted by Congress either by continuing resolution or by the enactment of new authorizing legislation. The testimony presented here today will have a bearing on the form of the new authorization bill. While we cannot afford to act precipitously, we do need to move forward on the legislation to prevent funding lag.

Let me give you my feelings on the bills now pending in the Congress. About a week ago I had an opportunity to meet with the Secretary of Washington Department of Transportation, Duane Berentson, whom I think you have already heard from today, to discuss the effect of the proposal changes on highways in our State. I have also been discussing the need to redefine the interstate with my colleagues in the House. Out of those discussions have grown some ideas and recommendations I would like to present to the committee today. Washington has 100 miles of interstate left to complete. The total interstate mileage still awaiting funding is more than 20 times that amount. In Washington the miles still to be completed occur in only six projects, the majority of which have experienced delays in funding because of their controversial nature. But even for Interstate 90, perhaps the most controversial of the Washington State segments, a plan has been completed and an environmental impact statement prepared. Now all that is missing now is the necessary funding. All of our preparedness may be in vain. The legislation currently before the Senate would reduce the eligibility of certain parts of these projects for interstate funding. The 3-2T-3 configuration proposed for Interstate 90 would no longer qualify for funding unless the transit lanes were eliminated. And Interstate 80, 182 which is not underway as a six-lane highway, would only qualify for funding for four of those lanes.

In addition, certain commitments made by the State to build park and ride lots, bus stops, and other transit related projects would have to be constructed with funds from the 4-R program and, as I understand it, there wouldn't be sufficient funding under that program to take care of the requirements of these programs. Considering the current push to encourage States to stand on their own, perhaps we ought to reconsider our effort to mandate the number of lanes which could be built in any particular location. If the State considers the need sufficient to warrant construction of six lanes instead of four, that decision should perhaps rest with the State. With the limited amount of money available each year, a great deal of thought and planning is going to go into how interstate funds are allocated for those projects remaining to be completed. The State knows that building two extra lanes in one place will mean a reduction of funds available for other segments, the decision will be that much more carefully considered. The State should have the option to determine how many lanes are needed without Federal intervention especially on projects already underway.

Perhaps we should also take a look at our overall apportionment as well. To give every State a little money every year may not be as efficient as giving more money to a smaller number of States which can demonstrate that they are truly ready to obligate their funds. Perhaps in this way projects could be completed more rapidly and efficiently and costs reduced. We all know that to drag a project out over many years increases its costs, while to complete it in a timely manner eliminates the hidden escalators like inflation. In the interest of planning that many have already been completed, we should also consider a phase in for eligibility changes, particularly in the areas of bridge replacement fund distribution and the elimination of secondary or urban programs which changes may have a substantial impact on the accountability of a State. A gradual change might be both more effective and more responsive.

Washington State is also in an usual position in regard to the status of one portion of its Interstate System, a position that Washington shares with only six other States in the country. We have in this State segments awaiting funding which under Senate legislation would not be eligible for withdrawal and substitutions. That section of the highway lies within my congressional district. An option which is available to every other segment of the Interstate System is denied to Tacoma's spur, Interstate 705. Elsewhere local communities, in conjunction with the Governor, have the authority to elect to withdraw themselves from the intersate participation and substitute other highway or transit projects. I believe that we should work to make this an option available to Tacoma to give the community the same opportunity enjoyed by other cities across the Nation. The cost of withdrawal and substitution is no more than that incurred in building the original highway. In fact, only 85 percent of that cost is eligible for substitution purposes.

I ask that this committee consider eliminating the provision in its legislation which would restrict withdrawal and substitution. Then the local entity, the city of Tacoma, can either go ahead with design No. 7, which is by the way its current plan, or attempt withdrawal and substitution. That choice is left to the local community.

In my view, in terms of this particular project, I expect that the city will go ahead with the project as it's presently planning to do, but it may, for some reason, want to take the option of withdrawal and substitution. I think we ought to preserve that if it's possible.

Finally, I pledge to work in the House of Representatives to work to pass highway authorization legislation which addressed the needs to redesign the interstate in a timely manner. Those legislations, two bodies contain significant difference but both bodies recognize that the overall goals are the same. We need to reassess what has been achieved and to focus on what remains to be accomplished. We need to act before the beginning of the fiscal year to assure continuity in funding costs. We need to redefine the Interstate Highway System that can be completed and in operation by 1990. I look forward to that challenge and I look forward to working with this committee on this problem and problems we face with the sewer programs and, not to this subcommittee, that's another major issue in this State, and other problems we face as we approach the important last 3 or 4 months of this fiscal year.

I appreciate the chance to testify on the bill and to give you my views on the impact on some of the projects in the State of Washington.

Senator Symms. Thank you very much, Norm for an excellent statement. A good recommendation. In the final version of the Senate bill that we finally introduced, we did comply with what you're recommending here today. At least the bill, as I understand it, does not allow for limited demapping of the interstate by the Secretary.

Congressman Dicks. I know the leadership of the city of Tacoma feels very strongly about that. If that is what you have done, we applaud it and don't change.

Senator Symms. It also allows for withdrawal. I do want to ask you one question and maybe Slade has some questions; we have had a little dispute with the House committee over continuity of the funding. We want a 4- or 5-year bill and the House wants a 1-year bill. We finally resolved a part of it in a reconciliation for 2 years. What is your attitude about that?

Congressman Dicks. I would favor a longer period of time. A 1-year program just simply doesn't give enough stability to the progrm, and I would hope that the House would take a different view. I think there may be some rivalry here between the Public Works Committee and the Ways and Means Committee as it relates to tax matters that may have something to do with them, in trying to get the Ways and Means Committee to move and to deal with the tax-related aspects of this.

Senator Symms. We are looking forward to working with you on that trying to get our friends on the House committee to want a longer program.

Congressman Dicks. Yes; I will try to work with Chairman Howard and the other members of the committee to see what we can see.

Senator Symms. I have no further questions. Norm, we appreciate very much your testimony.

Congressman Dicks. Thank you Steve.

Senator Symms. We are ready to hear from panel eight, Mr. Charles Prahl, Mr. Glen Lee, Mr. George Cook, and Mr. Bob Bergstrom. Mr. Prahl.

STATEMENT OF CHARLES G. PRAHL, COMMITTEE FOR BALANCED REGIONAL TRANSPORTATION

Mr. Prahl. Mr. Chairman, I am Charles Prahl, a member of the Executive Committee of the Committee for Balanced Regional

Transportation. Our committee, commonly referred to as CBRT, sincerely appreciates this opportunity to appear before your subcommittee to express our views and proposals.

The CBRT was organized in 1980 for the purpose of increasing public knowledge and understanding of the vital need to complete the remaining gaps in Washington State's Interstate Highway System, and to work with Government officials at all levels to obtain necessary funding to complete the system as rapidly as practical. Members of the committee include a broad spectrum of area leaders in the fields of business, transportation, labor, and community affairs; all having intimate knowledge of the importance of a completed Interstate System to Washington State's growing economy.

Specifically, CBRT is expressing its efforts toward the uncompleted sections of Interstate 82, 90, 182, and 705. Completion of Interstate 82 and 182 in southeast Washington is urgently needed to adequately link the vast Hanford atomic installations and the extensive food producing areas of southwest Washington with coastal ports, supply centers, and product markets. The remaining gap on Interstate 90 is an 8-mile section between Bellevue and Seattle where traffic demand has far exceeded capacity of the existing roadway for over 20 years. During this long period traffic fatality rates have been as high as five times those on completed sections of the interstate system. Construction of Interstate 705 between I-5 and Tacoma's extensive port facilities is long overdue as a means of providing the Port of Tacoma adequate vehicular access to the State's Interstate System.

Completion of these four gaps in our State's Interstate System has been long delayed because of inadequate Federal funding or State matching funds, or because of extended litigation, stemming primarily from environmental laws and regulations, or a combination of two or more of these factors. At this time, all four gaps have completed all administrative requirements, have cleared themselves of legal restraints, and are "ready to go" if funding problems can be resolved.

Washington's problem of financing its matching share of the Interstate System was solved earlier this year by the Washington Legislature, by passage of a variable gasoline tax measure and approval of bonding authority adequate to cover the State's share of all remaining interstate funding, plus matching funds for a number of critical projects on the primary system. The CBRT feels that its efforts, coordinated with many others, contributed substantially to passage of this State legislation.

Under existing apportionment formulas, neither S. 841 or S. 1024 will provide Washington State sufficient funds to complete its Interstate System, unless: One, Federal interstate funding is extended beyond 1990; or two, supplemental Federal funding is provided through changes in the apportionment formula or from discretionary funds available for allocation by the Federal Highway Administrator. Considering the urgent need for completing Washington's Interstate System, the CBRT would recommend extending the interstate time limit only as a last resort. We urgently hope that the Congress and the Department of Transportation will find a solution to our State's Federal interstate funding needs, so that the remaining gaps may be completed by 1990 or before.

The State of Washington faces a special problem of financing the remaining leg of Interstate 90 under existing Federal obligation control procedures. Several of the early construction contracts on this high-cost project will necessarily far exceed any 1 year's Federal obligation control limitation. The CBRT urges that the Department of Transportation approve a funding arrangement for Intertate 90 similar to that previously utilized on high-cost interstate projects in other States, wherein the FHWA distributes the obligation of Federal funds for large construction contracts over the life of the contracts as opposed to the usual requirement for obligating all funds for the contract during the fiscal year in which the contract is awarded.

CBRT believes that: One, new legislation must authorize project completion "as approved" for uncompleted gaps that have obtained full design and EIS approval prior to the effective date of such new legislation. If "redefinition" criteria mandates redesign of such projects, the inflationary effect in delays alone for new design and approvals will negate and possible cost savings from reduction in project scale and be totally counterproductive.

Two, reverting to 1956 lane standards would be very impractical in many urban areas—million population or more. Eight-lane capacity for commercial, auto, and transit needs is viewed as minimally acceptable for I-90 in the urban area of King County.

Three, obligation controls as instituted currently on the highway trust fund must be removed as soon as possible, and made more flexible in application in the interim, to make the most cost effective use of the fund and allow early financing of project ready for construction.

Four, a user fee not increased in 22 years cannot possible meet the challenge of inflation in any construction program. The 4-cent level set in 1959 must be raised very some, and consideration given to some form of an inflation indexing formula for the future, or more frequent review, and adjustment to meet increased costs.

Again, Mr. Chairman, the CBRT sincerely appreciates the opportunity to appear here today.

Mr. Symms. Thank you very much for a very excellent statement.

Mr. Glen Lee, publisher of the Tri-City Herald, is Mr. Lee here?

Voice From Audience. Mr. Lee is not here and his testimony is being presented under the name of Sam Volpentest.

Senator Symms. Is Sam Volpentest here?

Voice From Audience. Sam Volpentest is not here.

Senator Symms. His testimony will be made a part of the record. Mr. George L. Cook?

STATEMENT OF GEORGE L. COOK, MEMBER, BOARD OF DIRECTORS, HIGHWAY USERS FEDERATION OF IDAHO

Mr. Cook. My name is George L. Cook. I am past president of the Washington State Good Roads Association. I am a member of the board of directors of the Highway Users Federation of Idaho, and member of the Federation in Oregon and Washington. I am a retired Regular Army officer of 25 years service in the Engineers and Transportation Corps, serving in Europe, Asia, and CONUS from coast-to-coast involved in highway transportation and other major modes of transportation, civilian and military.

I have been active in Washington, Idaho, and Oregon promoting adequate funding of better roads.

I would like to tell a story of the time when a mutal friend of mine and myself years ago attended a New York Philharmonic concert with the great Leonard Bernstein conducting an immortal rendition of Jean Sibelius' Fourth Symphony. As the first notes of this great orchestration came to a close, my friend exclaimed, "My God, what a man!". I thought at that time if he was a resident of New York City he would be referring to Leonard Bernstein's immortal performance as a conductor. But he lived out West here and I know he meant the composer Sibelius! My point in this story is that one can see and hear things together and yet have toughts and conclusions far different. This difference is the rub we have surrounding the current problems of interstate highways.

In parallel with my composer/conductor observation, here is another and more pointed story—bear with me please! I ask you what color is the zebra—is it a white animal with black stripes or is it a black animal with white stripes? Individuals and geographical opinions vary on this question worldwide. This same or similar variance exists on what is an interstate? Is it intrastate? Is it interurban? Or is it intraurban, as so many seem to believe? "It" just cannot be all these things without more money, or someone doing without—could we not complete our Interstate if we concentrated on its original composer's intent and not get carried away by each guest conductor's interpretation?

So when we talk about our Interstate System where do we come from, that is, what kind of zebra stripes are we talking about? If we really have our heads clear, let's consider the original composer concept and let's get on with the construction. Was not the original intent of this Highway System to bring the States together in a mutual, sharing of Federal funds from all four basic sides of our continental United States, East to West and North to South? East to West routes seem adequate in the national system, but as you move West you find fewer North/South azimuth? Everything seemed to go into a North/South routes than you find transcontinental routes. Connections from Puget Sound, Portland, San Francisco, and Los Angeles to the East seemed adequate then and now. Something seems to be in error however, in the overall national plan between the Rocky Mountains and the Cascades, and/or the High Sierra Mountains—simply no North/South routes? Why is this? How could such an oversight occur with an alinement of Tucson, Ariz., Pheonix, Ariz., Las Vegas, Nev., Reno, Nev., Boise, Idaho, Tri-Cities, Wash., and Spokane, Wash. on the same North/South azimuth? Everything seemed to go to a North/South route west of the Cascades/High Sierras, yet once the first ribbon was finished, we found need for bypass construction of the large urban areas, I-405, Seattle, I-205, Portland, consuming vast amounts of funds and still no completion of I-82 North/South into Oregon. The Inland Empire area, Intermountain area, and the mid-Columbia area are just as important to the economic and social structure of this country. Are our own State elements lacking in vision the cause, or is the coastline political clout just too much for us inland people?

Right in the middle of all this we have our I-82 Washington into Oregon incomplete. Failure to complete this highway just simply cannot be justified after all these years.

From a national viewpoint, I believe the mid-Columbia and other areas between the coastal ranges and the Rocky Mountains deserve consideration before we the electorate bow down like "wet hens" and accept this reduction in funds for the Interstate after all the intrastate, interurban expenditures of the past 25 years.

We are in receipt of reports of a shortage of funds in the Highway Trust Fund. Who authorized Trust Fund users fee money to subsidize gasohol? Who increased highway construction of Interstate elaborate safety needs, bicycle paths, park-and-ride lots for transit enhancement of urban renewal requirements before the Interstate System was complete. This shortage, I say, is created by mankind and can be changed.

I feel the heavy urban areas have received Federal funds which should be parceled out by geographic requirements to meet Interstate closures, not intraurban needs.

The I-82, I-182 Tri-Cities/Hanford, Hermiston, Oreg. region still stands incomplete after waiting over 18 to 20 years. How come?

Let us follow the needs of our country as large scale movements of people are underway from the East making the inland region from Canada to Mexico a teeming rural/industrial area in dire need of North/South Interstate highways, as well as the East to West routes.

I say there is a need to re-examine the scope of the interstate and have no more of the mental block known as "completion" dropped. The Interstate System is a living thing. It is America and American people's needs move around. Rural areas may become the urban areas of today and tomorrow. Let's be fair.

I realize my address could be different. I gave you my views, but I have them to you in this manner so I can say to you, "What is an interstate highway?" I hope you will remember my comments and the zebra—is it a black zebra with white stripes or is it a white zebra with black strikes. There is an awful lot of folks that think the interstate animal is a different animal than what it really is. What do you think it is? That is what is important here today, and I guess just asking you to think about it in this vein is all I can hope to accomplish here today.

I deeply appreciate the honor of speaking to you here today. I feel confident you will return to Washington with enough information to enable you to define the problem and come up with a plan to keep our highways and rural roads open and healthy, because our highways are a prime element of the American dream; a house, a car, and the opportunity to grow and enjoy our life as we understand it here in the West. Thank you.

Senator SYMMS. Thank you very much. Mr. Bob Bergstrom, Cascade Bicycle Club. Go right ahead Mr. Bergstrom.

STATEMENT OF BOB BERGSTROM, CHAIRMAN, BICYCLE ACTION COMMITTEE, CASCADE BICYCLE CLUB

Mr. **Bergstrom.** My name is Bob Bergstrom and I am the chairman of bicycle action committee, Cascade Bicycle Club. Before I go into my written testimony, I would like to point out that the bicycle has long been a part of the city of Seattle and State of Washington transportation system. The earliest streets built in Seattle were built by volunteer bicyclists. That includes Lake Washington Boulevard, Magnolia Boulevard, Interlake Boulevard, and parts of Highland Drive. Cyclists in the 1800's joined the early teamsters and railroad interests and helped them form a good road system, which is quite popular today. The Washington State Legislature passed in 1890 legislation to grant free baggage for bicycles traveling on passenger trains and EOP boats crossing both Lake Washington and Puget Sound. Both elements on trains and boat access has been eliminated by Federal highway policies since then.

Bicycle transportation is an often ignored but important part of the transportation system of the Pacific Northwest. Bicycle use is significant in our Seattle area in the central business district, the university district and for short trips 5 miles or less. Many excellent bicycle facilities and programs have been implemented in our area with local funds and in partnership with the Federal Government including; the Burke-Gilman trail, the Sammamish River trail, the interurban trail, the Kitsap-Bremerton bicycle program, the city of Seattle spot bicycle safety program, and the Seattle effective cyclist instructor program. This Federal involvement over the past years has been implemented in part by the section 141 and 217 of title 23 moneys and experience from these programs has helped focus future needs in the bicycle field.

So while progress has been made on many levels, significant challenges still face the bicycle transportation issue and our community which need the involvement of the Federal Government. We have tried to list the issues that face bicycle transportation in our community.

We feel that bicycle transportation's future lies with using the streets and transit systems that are for the most part already in place. The opportunities to develop exclusive bike paths like the Burke-Gilman trail are limited in our dense urban areas.

Bicycle transportation elements need to be considered carefully on all road and transit projects, in order to carefully provide needed safety elements. For the most part, bicycle facilities are very small scale, for example providing sufficient lane width on outside vehicle lanes to jointly accomodate bicycle use.

There is considerable pent up demand for bicycle transportation projects and safety and education programs in our community from both the State and local cities and counties.

Until more highway and transit engineers are better skilled in bicycle transportation planning and design, the establishment of bicycle coordinators in the various government agencies is important to provide technical guidance and plan review support to insure integration of necessary bicycle elements in all projects.

Because of funding limitations and to eliminate future problems, bicycle facilities in urban areas should be aimed at elimination of bicycle travel choke points. Our Seattle area has many difficult bridge and freeway crossings that constrict bicycle use. This bridge issue is one of the most critical problems facing bicycle related transportation, and local examples are discussed later.

Because of the past problems from inadequate bicycle design oriented in the past toward treating bicycles as toys, new guidelines developed by the CALTRANS and ASCE need to be implementated. Bicycles safety needs are similar to vehicles, many problems and accidents are caused by turning and mixing movements, from both autos and pedestrians, so putting cyclists on sidewalks is not a cure-all.

Legislative action is needed from the Federal level to support this important and low-cost transportation option that bicycling provides.

The present 217 programs needs to be broadened and made more flexible to include education, safety, and enforcement.

The present section 141 program should be continued with added inducements to compensate for traditional transportation agencies lack of consideration for cycling.

All aspects of the Federal transportation program should consider bicycles, it's the integration of bicycles into the overall system that allow low cost, safety improvements to be implemented.

A legislative mandate is needed to insure that bicycles will be accomodated on bridges including the freeway type limited access facilities. This is necessary to eliminate future choke points and access restrictions.

If I can, I would like to make a reference to my map here, some of the bridges and obstructions in the Seattle area. Here is downtown here, Lake Washington, which runs on the east side of town, the ship canal. The Evergreen Point Floating Bridge is a classic case in point, connecting the Bellevue/Kirkland area with the university area, no bicyicle access was provided, forcing a 30-mile diversion around Lake Washington. The construction of Interstate 405 severed the existing Lake Washington Boulevard from Bellevue to Renton's Boeing aircraft plant and forcing bicyclists to detour around and up the side of Cougar Mountain. The construction of Interstate 5 through the university district severed many low volume side streets to the University of Washington forcing cyclists to use the congested bridge interchange overcrossings of Interstate 5 where narrow street widths and steep grades place cyclists in conflict with vehicle traffic. The West Seattle Bridge now under construction has similar bicycle commuter access problems. Bicycles have been excluded from the new upper bridge, and are unable to use the planned 8-foot-wide shoulders. Bicyclists are directed to use the programed sidewalk facility which will route commuter bicyclists over the existing bascule bridge and through 18 intersections with heavy truck traffic. When the new high bridge is completed cyclists will be subject to frequent bridge openings from increased shipping traffic. The surface and bascule bicycle sidewalk is not adequate as an alternate route for bicycle commuters.

We at Cascade Bicycle Club appreciate the subcommittee's time in receiving local Pacific Northwest input on Federal transportation policy. The Federal Government's strong leadership is needed in progressive legislation. Thank you for the opportunity to testify before your committee. Thank you.

Senator **Symms**. Thank you very much. Is it safety problems that prohibited you from the interstate projects?

Mr. **Bergstrom**. While in California they have had experience with bicycles operating on the shoulder of freeways with 50,000 ADT and that is equivalent to all of the freeways in Washington except the central core. I don't recommend that a lot of bicyclists use the downtown freeway, but there are sections where they can operate on the freeway shoulder without crossing.

Senator **Symms**. What is the potential of some of the corrections put in the system here for alleviating some of the automobile traffic and how many people do you think there would be who would actually utilize bicycles for transit to work?

Mr. **Bergstrom**. Well, I'm not really sure. In the "U" district last year 10,000 bicycles were sold. If we can get half of those people on regular commuting routes, we have a significant decrease in air pollution. Bicyclists are part of the air pollution effort, to reduce the problem in Seattle and the university core and increase the use of lockers and showers and get some of these bottlenecks out, is a way we can move more people.

Senator **Symms**. Bob, I'm going to yield to my colleague and friend, Slade Gorton. I've got a good adviser in him when it comes to bicycles in this community.

Senator **Gorton**. Thank you very much for presenting views with which I am very, very familiar. Thank you very much.

Senator **Symms**. We have already put into the record Reginald Frye's statement. If he is here and wants to say a word or two, we would be glad to hear from him.

STATEMENT OF REGINALD S. FRYE, PRESIDENT, CENTRAL CONTRACTORS ASSOCIATION

Mr. **Frye**. Thank you very much for the opportunity to speak. We are concerned with the new changes adopted in the proposal. One of the areas of regard is the I-90 bridge which impacts our community, the largest minority community in the State of Washington.

Since the early 1960's the minority community has been disrupted, people have been relocated which we fought for a long period of time. There is a lot of land, a lot of land has been acquired and vacant properties has caused other properties to run down. We feel the project has been delayed very, very long through many of the arguments on the design, and the end result is that that community suffered for many years and it's very necessary for this project to be completed.

The minority community has been very supportive of the Metro program which allowed transportation to the east side, which is largely nonminority, so we feel we're being taxed for a long time. We feel we should not be taxed that way.

There are roughly about 10 minority trade associations which I am speaking on behalf of them. This bill doesn't directly include a minority business enterprise which we feel is a real taxation without representation, because we are the largest minority population within King County. We are taxed heavily, and if this I-90 is going to be built, we want more minority participation. We have been dislocated for a period of almost 20 years and there is no cause. We feel very, very strongly there should be consideration added into it, equal opportunity for these enterprises. This is the only way a minority reaches parity. We feel strongly about the Department of Transporation and a few other large agencies. We know from the beginning of history the railroad system was the first part of transportation. They were federally subsidized, gave them land, helped them, later sold their land off. Now they get other subsidies. We feel we should have opportunity to participate.

I was selected in 1978 to attend a seminar for minority businesses put on by the Federal Highway Administration to increase minority participation in Federal construction work. It was a weeklong seminar in Washington, D.C., was very good. Since that time I think not one of them has received an award for any project. I feel very strong. We're talking right now about $80,000 a year grant which comes to western Washington. So I feel that somehow that we are talking about bicycle paths, we are talking about tonnage, we are talking about a large segment of the community being taxed the same as the rest of them. The difference is the minority community doesn't have a lot of opportunity to adequately address this. We feel that in hearings such as this our reaction is to say, "Why did you leave us out, why tax one portion of the community and expect them to pay for the people living out of the city." I think it's really something that our Senator Gorton will look into and I hope you will, too, Senator Symms, and we feel very, very strongly why was that done.

Senator SYMMS. Thank you very much.

Thank you very much. We appreciate your statement.

That concludes all of our witnesses on our official witness list. It's my understanding there are a couple of people here who would like to submit testimony to the record. We welcome that.

In addition to submitting testimony, are there any of you who have that strong urge that you want to be heard for a minute or so?

We have three people out here? Is there anybody that needs to talk longer than a minute? Think you can do it in a minute?

Start right here. Identify yourself.

STATEMENT OF PAUL W. LARK

Mr. LARK. I am Paul W. Lark and I would hope that you do away with the trust fund. I think the money is just going down the drain. You have heard testimony about the transit system and that millions of dollars are going, there's no control over where the money is going, and the only way we will ever get control is to get the Federal Government out of it. The only thing that the Federal Government should be putting into is possibly make sure that maintenance of the present Interstate System is continued. But that should be the end of it.

Thank you.

Senator SYMMS. Thank you very much.

The gentleman right here.

STATEMENT OF TOM MARTIN, WASHINGTON SOCIETY OF PROFESSIONAL ENGINEERS

Mr. Martin. I am Tom Martin of the Washington Society of Professional Engineers and I was shocked to hear Norm Dicks say under the new funding programs the 3-2T-3 design for I-90 would not be eligible unless the 2-T was eliminated. The Washington Society of Professional Engineers has several times stated that the 2-T is the essential part of the bridge. The transit will carry many times as many people as the other lanes without the impact of traffic congestion, parking, and so on that an equivalent number of autos would have, so if anything is done, the transit lanes and the access to the transit lanes are the most important part.

Senator Symms. Thank you very much. Appreciate that input.

Ms. Penna. First of all I really——

Senator Gorton. Would you please identify yourself?

STATEMENT OF MARGARET PENNA

Ms. Penna. I am Margaret Penna, and I really resent, as a citizen and a taxpayer, that we come to this thing, and at the beginning of the day I asked for an agenda, there were no bills here or summaries. I think that should, you know, we're a small business going to be wiped out by I-90 and we're going to go out of business because we don't care, just paid off our debt at 6 percent and we don't care to go into debt at 20 percent to build up a new business. We have three employees. We make out a check every month for $3,000 to the Federal Government. I really resent, when I come down to these hearings, to be treated as second class by people who are bureaucrats. I think that is exactly what is wrong with the highway system. All of the Federal environmental laws, clean air laws, land use laws, 3C process is merely a little game. CART, I am president of CART now, but we would like to submit the same report that we submitted to the legislature and the Federal Government in 1974.

Senator Symms. Without objection that will be received for the record.

Ms. Penna. Because we feel these things have not been addressed substantially. Citizens in the city are very concerned about spending money wisely. We thought that the 3C program would be enforced. The only way it's been enforced is by the people at the grassroots pulling money out of their pockets for lawsuits. When we have to rely on the courts rather than the legislative process and the administrative process, we feel there is a big cut that could be made in government, because those governments are not performing, there is no reason to pay them, and it just seems like it's about time for the Federal Government to decide that they really mean that they are concerned about energy and money and clean air and clean water. There is a cost, marginal costing that has not been done, and if that is true if you get anywhere near the railroad accounting.

I mean I went to school in the sixth grade in Wallace, Idaho, in 1945 and we learned that weight had something to do with structural damage. It really offends me because this is what went on in the State legislature 10 years ago when they did raise, put triple trailers on, raised the weight limit. All of the members of the legislature that had anything to do with transportation sat in a room and agreed with Perry, who is now, I think, in jail, somewhere, but anyway they agreed with him that weight had nothing to do with the cost of maintenance of highways.

I don't know why we bother to write such complicated legislation if we don't understand the first law of physics. We need accounting at every level and for our elected representatives to come up before you and say that the people in this city want I-90 is just an outright lie. We gathered signatures on an initiative and the State court refused to let us vote on it.

I suggest to you that the people in Portland and the people in San Francisco who did prepare a withdrawal and substitution package, according to Federal law, deserve first consideration because they are following out not only the letter of the law and intent of the law by using the money in a comprehensive way efficiently. Until the Government begins to do this we are going to be in trouble. People, the left, the right, the middle are going to have less and less faith in government. That is why people just quit voting and that is because our legislators, Jeanette Williams, for one, can come before you and say they have acquired all of the property. We have three pieces of property. They have not acquired it. We are in the I-90 corridor.

We are, but the most important thing I would like to say is it's just about time that the Federal Government was on the side of the people and that you made it more convenient for people who are the taxpayers to testify becaue this is pretty insensuous really just to have the people who are already paid staff people come here and say what they want because that's why we have wasting money, that's why it's costing so much. The interstate program right now, we had the head of Metro testify earlier that we need I-90. As soon as he gets his $2 billion for I-90 he's going to come up and say we need our $2 billion for our 1990 plan because that isn't funded either. And that transit plan, you know, I-90 is a pretty expensive parking lot. The guy from Los Angeles said his freeway was expensive but I-90 is three times as expensive as the Century Freeway and they admitted, the people, I have gone to all of the hearings on it, that as soon as it's built it is going to be at level E and F during the peak rush hour so it essentially is an expensive parking lot. If they are going to build parking lots for cars it makes a lot more sense to build park and ride lots and have either rail or buses, and you can build these.

The total rail system we need in Seattle is, in the whole region, 20 miles of rapid rail transit for the cost of that 6 miles of freeway and it's going to come out of the pockets of people for the Federal Government, so I would like you to clarify the taxes, because it's my understanding that New York and California, as well, both have a sales tax as well as a gasoline excise tax. I think you should clarify that our State does not have a sales tax on gasoline, just a gas tax.

So, as a representative of the citizens' group concerned with transportation planning, we would really like to see our transportation dollars spent to solve the transportation problems and not just create urban blight.

Thank you.

Senator SYMMS. Thank you very much.

There are two more, I think, who had their hands up.

STATEMENT OF CHRIS VAN DYKE, NORTHWEST BOOKBINDERS CO.

Mr. VAN DYKE. I am Chris Van Dyke, owner and operator of Northwest Bookbinders Co.

Thank you for the opportunity to speak.

My business wouldn't be able to exist without the Interstate Highway System and the ability to transport goods very quickly from here across the country.

Senator SYMMS. What's the name of your business?

Mr. VAN DYKE. It's a textbook wholesaling company. I sell textbooks and I move them rapidly on and off the market. My books move across the country in 4 or 5 days. I am very grateful for that. My business wouldn't be able to exist. I can appreciate the need many people have expressed on I-90 but I also know that I started my business on a shoestring and I-90 isn't going to cost what a shoestring costs. Seattle is an urban area. It's not the great State of Idaho where I was born and raised and freeways don't work here like they work there. Going south from Boise toward Mountain Home you can drive and drive fast or as least you used to be able to and as the woman already said, when I-90 is built or rebuilt it's not going to be a freeway, a parking lot. My goods can move in and out of Seattle. There is reasonable access. I drive the highways all the time. You can move in and out of Seattle on the Evergreen Point Bridge at any time except rush hour. I see a need here in Seattle for a better transit system. I see articles in the paper and what not, voters just passed an additional three-tenths of 1 percent sales tax last fall for transit funding and a portion of that is to be implemented next year along with a fare increase, so we have a real need for more transit.

Two years ago I was out gathering signatures on the Transit 21 Initiative, and 36,000 signatures were collected in 4 or 5 months just asking that the I-90 issue be put on the ballot. It was just a rather forward initiative. That was opposed by the people pushing I-90, is my own guess, they felt it would lose if it got on the ballot and people had a chance to vote on it. I had a very easy time collecting signatures at a garage sale.

Senator SYMMS. Thank you very much, appreciate your input.

STATEMENT OF STEVE BENN

Mr. BENN. My name is Steve Benn. I am a computer engineer. I work in Bellevue and I live in the north end of Seattle, so I personally am sensitive to transportation. I also am a volunteer for the Transit Lines for Seattle and King County, as are the two people who preceded me.

I really can't do much more than endorse what they have said, to endorse what Mayor Royer said, that transit lanes are essential. To partially endorse transit director Neil Peterson's statement that the transit lanes are essential, so I think the consensus in the area is not building an eight-lane highway or big highway of any kind, but to get the transit in first regardless of what happens.

I also collected signatures for Initiative 21. A few years ago the Council of Governments ran a poll and they found that the people's first priority was improved transit and second to transportation priority was local road repair and safety improvements and big new highway projects were way down at the bottom of the list. On the other hand we do have people out in the rural areas of this State and elsewhere who must have highways in good repair, not just new ones but the existing ones which are often expired. We need good transit in urban areas. I suspect that the majority of people in this area are willing to trade off big highway construction in Metropolitan Seattle in return for good transit funding and I think that would be a fair deal for the people in the rural areas who also have needs.

Thank you.

Senator SYMMS. Thank you very much.

If there are any futher statements, the committee will be happy to accept them for the record.

The committee stands at recess and we thank you all who were here today.

Thank you, Senator Gorton.

[Whereupon, at 3:35 p.m. the subcommittee adjourned to reconvene at the call of the Chair.]

[Statements submitted for the record follow:]

STATEMENT OF

THE HONORABLE CHARLES ROYER
MAYOR OF SEATTLE

Mr. Chairman and Members of the Subcommittee, I appreciate this opportunity to appear before you this morning to present my views on the reauthorization of the Federal-aid highway program. I would also like to extend a warm welcome to you and thank you for coming to the Northwest to hear our concerns about this important legislation.

The issues before this Committee are complex enough, and no doubt growing budget pressures will make it all the more difficult to fashion a multi-year highway bill. Any final legislation must attempt to deal with the diverse needs of a very diverse economy and country. Each level of government - federal, state and local - has an important role to play in building and preserving a highway transportation network which is both unrivaled in scale and unsurpassed in its guarantee of mobility for people, services and commerce. A balanced federal program, which recognizes the role and needs of each level of government in this system, must be the goal we all work toward.

Mr. Chairman, your Subcommittee bill strikes this balance, and I enthusiastically support the direction you have proposed.

Over the last several months, the Administration has proposed, and the Congress has enacted, a comprehensive program for the nation's economic recovery. Clearly, an efficient and well-maintained highway transportation system is vital to any such effort. We will not even start the journey toward economic recovery if we must travel on broken pavement and cross dilapidated bridges. The nation's public infrastructure -- bridges, roads, and tunnels -- must not crumble beneath us.

We must continue federal support for that infrastructure, to guarantee that the economic recovery strategy has a chance to work. I commend the Congress for recognizing the importance of these programs and in particular for your efforts to correct some of the shortcomings in Administration proposals concerning infrastructure.

In this city where the weather is relatively kind -- despite the rain -- and our streets and bridges are newer than those in many other cities, we find ourselves confronted with road maintenance and rehabilitation costs that go way beyond available revenues. By law, the City of Seattle must balance its budget. We have not splurged on public works - on the contrary, and especially in recent years, we have retrenched, shored up, invested our dollars to maintain existing structures.

The City simply does not have the money to meet these maintenance requirements. We face the prospect of deferring repairs to some future date, running the risk of greater damage to our road system.

For rehabilitation alone, we have already programmed $36 million through 1987. We are considering a new bond issue to finance additional rehabilitation work. Despite these efforts, we will still fall short in meeting these highway needs.

At the same time, we are called on to make new investments in roads and bridges to assist and promote industrial expansion and new industrial development.

Our local dilemma reflects the problem now before the Committee. You must balance demands for rehabilitation and preservation of existing highway networks with demands for continued assistance for new highway projects.

To date, we have had one important advantage. The existing federal highway program has allowed Seattle the flexibility to make many of its own decisions in balancing rehabilitation against new construction. For example, under the Federal Aid Urban System (FAUS) program, Seattle receives an annual allocation of federal highway funds which we can use to deal with pressing local highway problems. FAUS funding has been used to make roadway improvements, such as resurfacing and safety, on the City's major arterials. We have made signalization improvements which save energy and also increase the effective capacity of our existing roads, avoiding the need for costly expansion of existing streets or new construction. Beyond signalization, we have developed a FAUS funded metropolitan ridesharing program which further reduces the need for additional street capacity. Other FAUS projects have been packaged into broader programs to revitalize specific commercial and industrial areas. We have even helped develop the State's downtown ferry terminal through improvements in pedestrian and vehicular access.

In short, the FAUS program provides the City with needed funding to provide safer, more efficient transportation systems to facilitate the movement of people, goods and commerce-with solid, visible results in the recovery and development of our local economy. A more efficient urban transportation system and the development of ridesharing programs lessens the demand for Interstate or Primary system capacity and the need for major new facilities.

Mr. Chairman, thank you for recognizing the importance of this program to the nation's urban areas. I strongly support your efforts to continue this program. I would urge you, however, to consider a gradual increase in the local match, instead of the one-year increase to 50 percent as proposed in your bill, S. 1024.

Mr. Chairman, in this region we benefit greatly from the work of the Puget Sound Council of Governments (PSCOG). It provides a necessary and useful role in planning and coordinating the regional transportation system in the Puget Sound area. Our COG is one of the outstanding models in the country. Your efforts to continue the Section 134 program and provide needed assistance for this working process are essential a well-conceived and balanced regional transportation system.

I would also like to mention the bridge program before I address the Primary and Interstate programs. Once again, I must underscore the need for a diverse federal highway effort. I applaud your support for continuation of this program, which is an important element in the mix of federal highway assistance. Safe and well-maintained bridges are a vital link in the nation's highway transportation system. You do not need to travel very far in Seattle, or in any community for that matter, to realize that a disproportionate number of bridges throughout the country have reached their useful life. These bridges are badly in need of replacement or major rehabilitation. A clear and major federal commitment to bridge safety is the only way sufficient funding will be available to help State and local governments address the range of pressing needs in this area, particularly now, when such a high percentage of the nation's bridges require major rehabilitation or replacement.

In the Primary program, the states must continue to maintain a vast network of roads which provide the essential complement to the Interstate System. Where there are no Interstate highways, the state primary system is the major transportation link for intercity travel. The federal commitment to this system must continue.

From Seattle's perspective, however, we are concerned about the method in which the State designates roads for the primary system. There are several segments in Seattle's urban system which clearly should be made part of the Federal Aid Primary System. Many cities throughout the country have encountered similar problems. The Committee should consider changes to the existing designation system which would ensure that performance criteria are applied to the existing designated system, so that these urban highways are not arbitrarily left off the primary system.

Finally, I would like to address some of the issues related to the Interstate program. This reauthorization bill will profoundly influence Washington State as we deal with Interstate rehabilitation and new construction projects, particularly the completion of the I-90 segment in King County.

In reviewing the financial requirements of completing and maintaining this very important national system, it is apparent that federal funding will not be available to meet all of the project costs, both planned and underway. Recently, Governor Spellman accurately described our current situation when he said, "The preliminary data indicate they

(Washington State) will be short (of funds) to proceed with the present scale of I-90. I think an assessment will have to be made as to whether to cut back the scope of the project slightly or wait and see if more federal funds will be available." I share in the Governor's pessimism about the potential for sufficient funding to complete the planned 3-2T-3 design. In either case, your Committee's decision on funding and eligible activities will determine whether the current design can move ahead, and if not, what type of alternative design will be built.

If Congress decides that the national interest is best served by reducing the cost to complete the Interstate program, it will be particularly important to strengthen local decision-making on design features that should be included in reduced-cost projects. It was tough enough to reach a local agreement on I-90 when cost was not perceived as a problem. It would be virtually impossible to reach any new agreement without local flexibility. If we are told that we can only receive funding for a stripped-down highway project which does not address local concerns, this would be tantamount to the Federal government abandoning us in our effort to solve a critical regional problem.

Mr. Chairman, there are several ways to structure the Interstate program that would preserve our option to solve this pressing regional transportation problem and at the same time address federal budgetary and transportation policy goals.

It is essential that transit and carpool lanes be retained as eligible items if the Interstate program is redefined. These high occupancy vehicle (HOV) projects should continue as "completion" projects and not placed in the proposed "4R" program, where they might not compete effectively with pressing Interstate maintenance needs. These projects in the I-90 corridor can only be seen as the highest priority for funding beyond critical safety improvements.

The Secretary of Transportation should not be given the discretionary authority to "demap" segments of the Interstate System. Such decisions should only be made in conjunction with the Governor and affected jurisdictions. Given federal budget pressures, the temptation would be too great for the Secretary to "demap" segments solely for budgetary reasons.

Design features should not be determined exclusively at the federal level. Every project is unique, and local viewpoints are essential to an effective and workable project. I would prefer an approach which established maximum federal funding liability (adjusted for inflation) while allowing for local decision-making on critical design features.

For many other cities, the retention of the withdraw/substitute provisions of the Interstate program is a critical concern.

This option must be maintained to preserve public transit options as part of a region's strategy in dealing with its mobility needs and problems. It is important to keep in mind that 50 percent of the people who work in downtown Seattle now commute by bus. Carpool and vanpool use is steadily growing here.

Mr. Chairman, we greatly appreciate your leadership in developing a balanced highway program which will carry us well into the 1980's. I offer any assistance Seattle can provide in supporting your efforts.

Once again, I thank you for this opportunity to appear before you here in my own City to share my views with you on this important legislation.

STATEMENT BEFORE THE
TRANSPORTATION SUBCOMMITTEE
OF THE
SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE
RELATING TO
PENDING CHANGES IN THE FEDERAL-AID HIGHWAY PROGRAM

BY

DUANE BERENTSON
SECRETARY
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION

AUGUST 17, 1981

Mr. Chairman, I am Duane Berentson, Secretary of the Washington State Department of Transportation. On behalf of both Governor John Spellman and the Washington State Transportation Commission, allow me to welcome you to Washington.

We are pleased that this Subcommittee is affording the Western states an opportunity to present their views on the critical issues of the federal-aid highway program.

Mr. Chairman, before individually addressing our various concerns, we would like to summarize our overall position. We endorse the concept of separate Interstate Completion and Interstate 4R programs, and believe steps must be taken to assure that a redefined Interstate Completion program can be conducted on a timely basis. We endorse the concept of consolidating certain non-Interstate program categories, and believe the continuing categories should consist of Primary, Bridge Replacement, Secondary, Urban, Emergency Relief, and Safety programs. Finally, we believe that funding for the Interstate Completion program should be geared to timely accomplishment of program needs; funding of the Interstate 4R program should be substantially increased from the current 3R program level; and that funding of non-Interstate categories should be increased above current levels at least sufficiently to offset inflation. We rcognize that to achieve such a funding policy it will be necessary to indefintely extend the Highway Trust Fund thus allowing a drawdown of the Fund balance, and/or to increase the user tax revenues which support the fund.

INTERSTATE COMPLETION PROGRAM

We endorse the concept of establishing a separate category aimed solely at completing the Interstate system. It has become obvious that extension of the current, loosely focused program will lead only to continuing escalation of system costs and actually prevent completion of the system.

We have two principle concerns with implementation of this new Interstate Completion program. Our first concern is identification of those elements to remain eligible for Interstate completion. Both S. 1024 and S. 841 provide a maximum of 6 lanes in areas over 400,000 in population, such as the greater Seattle area, and a 4 lane maximum in other areas. In addition, certain design features which exceed a "bare-bones" minimum would be precluded from obligation as Interstate Completion after September 30, 1981.

These limitations will have a severe impact on Washington's Interstate program, and could result in a reduction of that program by over $900 million. While we do, in general, support the need for Interstate redefinition, we find that two Washington projects in particular would be unreasonably affected. The I-90 project in the Seattle area from I-5 to I-405 is essentially "ready-to-go" and has already received its EIS approval as an 8 lane configuration with several key design features excluded from current Completion definitions. The I-182 project in the Tri-Cities area is already partially in progress as a 6 lane facility;

implementation of the current Completion definitions would result in an unnacceptable discontinuity of lane configuration.

We propose that, as a minimum, 8 lanes be allowed in areas of 1,000,000 population and that in other areas those projects already underway be allowed to proceed with the existing lane configuration. We would also propose that eligibility for Completion funds be retained for all design features included in those projects which have obtained both design and EIS approval by the effective date of the new federal highway act. These measures would establish a fair and reasonable application of Interstate Completion criteria.

Our second concern relates to the ability of Washington and other states to actually proceed with the redefined Interstate Completion projects. The immediate problem is that Washington and other states are faced with high cost projects which require very heavy initial obligations to effectively commence the projects. Yet the current apportionment scheme delays receipt of sufficient front-end funds for years into the future. It apportions annual funds solely on total cost to eventually complete without regard to relative stages of project readiness. The result is that, without large infusion of Discretionary funds and supplemental obligation authority (which have not materialized), progress on such projects is blocked. I-90 in the Seattle area is a good example of such a case.

We propose that for Interstate Completion projects, distribution of both funds and obligation authority be made through an allocation process rather than the current apportionment process. Each state would prepare a time phased schedule of obligations for validation by FHWA. Should national authorizations or available national obligation authority for any period be less than required to carry out the plan, any deficit would be borne ratably by the various states. In this way emphasis will be placed on facilitating work on those projects ready to proceed and the program will be truly aimed at completing the Interstate System as quickly as possible.

INTERSTATE 4R PROGRAM

We endorse an expansion of the current Interstate 3R program to a 4R program with a substantial increase in funding. Both the gradual nationwide deterioration of the Interstate System and the proposed removal of many necessary activities from the Interstate Completion program dictate such an action.

We again have two concerns with the Interstate 4R program. First, while we recognize the need to control the level of Federal expenditures, we believe the Interstate 4R funding levels proposed in S. 1024 and S. 841 fall far short of requirements; consideration should be given to as much as doubling this funding level.

Secondly, we are concerned with the proposals for distributing funds to the states. Factors that must be recognized include number of miles to be maintained, usage of the system, and the impact of transfering activities from Interstate Completion to 4R. We would propose, at least for a several year transitional period, a distribution formula based 1/3 on lane miles, 1/3 on fuel consumption to recognize usage, and 1/3 on costs of items deleted from the 1981 Interstate Cost Estimate by implementation of the new Completion program.

PRIMARY, SECONDARY, AND URBAN PROGRAMS

We endorse a continuation of the Primary, Secondary, and Urban programs. Both S. 1024 and S. 841 contemplate a phase out of the Secondary and Urban programs. We believe that this would be unwise. These programs do have a truly national significance in that they foster a national continuity of highway facilities and provide the essential infrastructure for the country's transportation system.

Just as importantly the states and local governments are facing tremendous financial problems in just maintaining the integrity of their secondary and urban roads. Rather than attempting to phase out Federal participation, we believe the correct course of action is to continue the Primary, Secondary, and Urban programs and to fund them at a level at least sufficient to offset the effects of inflation.

BRIDGE REPLACEMENT PROGRAM

We endorse continuation of the Bridge Replacement program. Although we might like to see funding levels higher than those proposed in S. 1024 and S. 841, we recognize that significant efforts have been made in this area in recent years and the proposed levels may be reasonable.

We do have a concern with the proposals for a new distribution formula. These proposals give considerably added emphasis to local bridge needs and would have a significantly adverse effect on many states. In Washington, we would expect a funding reduction of well over 50% which will have a severe impact on continuity of our bridge program.

Consideration should be given to implementing any new distribution formula over a transition period of several years to give adversely affected states the opportunity to adjust their programs in an orderly fashion.

CATEGORY CONSOLIDATION AND SAFETY

We are generally pleased with the consolidation and elimination of a variety of smaller miscellaneous programs as proposed by S. 1024 and S. 841. We would like to go on record as supporting both the increased Primary/Secondary/Urban transferability provision and the proposal for a modest Safety program contained in S. 1024. These actions, which are not included in S. 841, can be of considerable assistance to the states in adjusting to the new realities of highway programming and financing.

FUNDING LEVELS AND OBLIGATION CONTROLS

It is apparent that the recommendations we have made here cannot be accomplished without a change in the Highway Trust Fund's financial structure. Authorizations substantially higher than the current structure will support are required.

This can be achieved in part by indefinitely extending the Highway Trust Fund, thus freeing several billion dollars of its balance for near term authorizations. A Congressional decision to increase federal highway user tax revenues would also contribute to the solution. As an example, the 4¢ federal fuel tax has not been increased for 22 years, while inflation has ravaged the buying power of highway revenues.

We recommend that Congress look favorably on both these actions and provide a sound financial footing for our highway programs of the future.

One other aspect of highway financing must be addressed at this time: obligation controls. These controls are a legitimate means of restricting public sector expenditures and reducing pressure on the economy during short-term, unique situations. However, as a long term measure they are damaging to efficient highway program implementation, cause cost increases due to project delays, and violate the essential principles of Highway Trust Fund authorizations and contract authority. We hope that Congress will reconsider extension of obligation controls through fiscal year 1984 as proposed in S. 1024.

CONCLUSION

Mr. Chairman, we hope this testimony will help the Subcommittee evaluate the needs of both Washington and the nation as it deliberates the future of the federal highway program. We know that we don't need to remind this Subcommittee of the urgent need for passage of a highway bill by this fall. This action is essential to the progress of highway activities in all states. If there is any way in which we can be of further assistance to this Subcommittee, we would be pleased to do so. In closing, let us again thank you for the opportunity to express our views and extend our invitation to return in the future.

JOHN SPELLMAN
Governor

DUANE BERENTSON
Secretary

STATE OF WASHINGTON
DEPARTMENT OF TRANSPORTATION
Highway Administration Building • Olympia, Washington 98504 • (206) 753-6005

September 22, 1981

The Honorable Senator Slade Gorton
Room 127 D
Russell Senate Office Building
Washington, D. C. 20510

Re: Pending Federal
Highway Legislation

Dear Senator Gorton:

As you are aware, both the Senate and the House are now in the process of considering legislation to extend Federal highway funding authorizations into the future and modify related highway program provisions. The principle bills being considered are S. 1024, a five year measure which is also similar to the Administration's proposal, and H. R. 3210, a one year measure.

On August 5 of this year I sent you a letter detailing Washington's concerns with this pending highway legislation. Now that action is about to proceed, I would like to again recap our concerns for you and identify the current Congressional status.

SUBSTANTIVE ISSUES

Attached is a summary of our key concerns with the substantive issues of the pending highway legislation. The summary discusses each major issue from Washington's perspective and relates it to the current Congressional proposals. We hope you may be able to assist in directing the legislation toward Washington's needs.

NEED FOR SOME TYPE OF CONGRESSIONAL ACTION

There is currently strong disagreement between the Senate and House over whether a 5 year or a 1 year bill should be enacted. There are other major differences between them, but the duration issue is the most immediate. The Senate will likely begin mark-up sessions on its bill this week, while the House is expecting floor action on its bill this week.

If no compromise can be reached, FY 1982 highway authorizations for non-Interstate programs now in current law can be released in October. Interstate funds due in October, however, can only be released if Congress adopts a concurrent resolution to approve the "Interstate Cost Estimate".

This latter action would not reflect the proposed redefinition of the Interstate System discussed in the attachment.

While we would prefer a multi-year act, we would find a one year act acceptable. If no compromise can be reached, a simple adoption of the Interstate Cost Estimate to allow release of the $130 million of Interstate funds due Washington would be less desirable but also acceptable. Failure to take any action would effectively block any progress on our Interstate construction and would have a devastating effect on that major program in Washington.

POSSIBLE FUNDING LEVEL REDUCTION

Although we are not aware of any specific details, we have heard some speculation to the effect that President Reagan's next round of budget cut proposals might impact the Highway Trust Fund. We are informed that Secretary of Transportation Drew Lewis has strongly advised against further reduction in access by the states to the balance of user taxes now building up in the Highway Trust Fund and we hope you can support that position.

In summary, we ask your assistance in enacting a highway bill this fall which will reflect Washington's needs to the greatest extent possible. If a comprehensive highway bill cannot be passed, we ask your support for adoption of the Interstate Cost Estimate to allow release of our Interstate funds this coming October.

Sincerely,

DUANE BERENTSON
Secretary of Transportation

DB:sjy
Attachment

cc: Senator Steve Symms

9/21/81

WASHINGTON'S CONCERNS WITH PENDING FEDERAL HIGHWAY LEGISLATION

Congress is now considering legislation to extend federal highway program funding authorizations into the future and to modify program provisions. The current Senate bill, S. 1024, is a comprehensive 5 year funding bill with no federal tax increases. It is similar to the Administration's proposal. The current House bill, H. R. 3210, is a one year bill maintaining the status quo (except for Interstate redefinition discussed below). It is hoped, but not assured, that this legislation will be enacted in the fall of 1981. Our principal concerns are:

1. INTERSTATE REDEFINITION.

Current bills in both houses of Congress and the Administration proposal would reduce the scope of the Interstate program. This is necessary to control costs of the Interstate System; the remaining currently qualified work is beyond the nation's reasonable capacity to finance it. The proposals are to establish a new Interstate Completion program and narrow its purpose to the minimum required to actually complete the system. Any other Interstate work a state might wish to pursue would be funded from a small new Interstate 4R program. The funding level for this Interstate 4R program would be inadequate to support most of the currently planned activities no longer eligible for the Completion program.

A. Interstate Completion Program

We have two major concerns with the Interstate Completion program. First is identification of those elements to remain eligible for Interstate completion. Both Senate and Administration proposals provide a maximum of 6 lanes in areas over 400,000 in population, such as the greater Seattle area, and a 4 lane maximum in other areas. The current House proposal is more liberal in number of lanes allowed in major urban areas. In addition, design features which exceed a "bare-bones" minimum would be precluded from funding as Interstate Completion under all current proposals.

These limitations will have a severe impact on Washington's Interstate program, and could result in a reduction of that program by over $900 million. While we do, in general, support the need for Interstate redefinition, we find that two Washington projects in particular would be unreasonably affected. The I-90 project in the Seattle area from I-5 to I-405 is essentially "ready-to-go" and has already received its EIS approval as an 8 lane configuration with several key design features excluded from current Completion definitions. The I-182 project in the Tri-Cities area is already partially in progress as a 6 lane facility; implementation of the current Completion definitions would result in an unacceptable discontinuity of lane configuration.

We propose that, as a minimum, 8 lanes be allowed in areas of 1,000,000 population and that in other areas those projects already underway be allowed to proceed with the existing lane configuration. We also propose that eligibility for Completion funds be retained for all design features included in those projects which have obtained both design and EIS approval by the effective date of the new federal highway act. These measures would establish a fair and reasonable application of Interstate Completion criteria.

Our second concern is the ability of Washington and other states to actually proceed with the redefined Interstate Completion projects. The immediate problem is that Washington and other states are faced with high cost projects which require very heavy initial commitments to effectively commence the projects. Yet the current apportionment scheme delays receipt of sufficient front-end funds for years into the future. It apportions annual funds solely on total cost to eventually complete without regard to relative stages of project readiness. The result is that progress on such projects becomes blocked. I-90 in the Seattle area is a good example of such a case.

We propose that for Interstate Completion projects, distribution of funds be made through an allocation process rather than the current apportionment process. Each state would prepare a time phased schedule of planned commitments for validation by FHWA. Should national authorizations for any period be less than required to carry out the plan, any deficit would be borne ratably by the various states. In this way emphasis will be placed on facilitating work on those projects ready to proceed and the program will be truly aimed at completing the Interstate System as quickly as possible.

B. Interstate 4R Program

We again have two concerns with the Interstate 4R program. First, while we recognize the need to control the level of Federal expenditures, we believe the Interstate 4R funding levels now proposed at the federal level fall far short of requirements; consideration should be given to as much as doubling this funding level.

Secondly, we are concerned with the proposals for distributing funds to the states. Factors that must be recognized include number of miles to be maintained, usage of the system, and the impact of transferring activities from Interstate Completion to 4R. At least for a several year transitional period, a distribution formula should be considered based 1/3 on lane miles, 1/3 on fuel consumption to recognize usage, and 1/3 on costs of items deleted from the 1981 Interstate Cost Estimate by implementation of the new Completion program.

2. SECONDARY AND URBAN PROGRAMS

Both the Administration and Senate proposals would phase out the Secondary and Urban programs. We believe this would be unwise. These programs have a truly national significance in that they foster a national continuity of highway facilities and provide the essential infrastructure for the country's transportation system.

Just as importantly, the states and local governments are facing tremendous financial problems in maintaining the integrity of their secondary and urban roads. We recommend continuing these programs at a funding level adequate to at least offset inflation.

3. CATEGORY CONSOLIDATION, BRIDGE REPLACEMENT, AND SAFETY

The Administration and Senate are in agreement that a number of minor categories (most not applicable to Washington) should be eliminated. We support this action.

They also agree that a new Bridge Replacement program distribution formula, giving greater recognition to local government bridges, should be implemented. This new formula would reduce Washington's share of these funds by over 50% and we believe that if the new formula is adopted it should be gradually implemented over a several year transition period.

The Administration proposes termination of the several safety funding categories, while the Senate proposes continuing a modest consolidated safety program. We support the Senate position.

4. FUNDING LEVELS AND OBLIGATION CONTROLS

None of the proposals at the federal level call for a change in the Highway Trust Fund's financial structure at this time. However, it is apparent that the actions recommended by Washington cannot be accomplished without a change in that structure. Authorizations substantially higher than the current structure will support are required. As an example, the Administration proposals would reduce Washington's non-Interstate federal funds by about $90 million per biennium starting in 1983-85, of which $60 million would be a loss to local government.

An answer can be found in part by indefinitely extending the Highway Trust Fund, thus freeing several billion dollars of its balance for near term authorizations. A Congressional decision to increase federal highway user tax revenues would also contribute to the solution. As an example, the 4¢ federal fuel tax has not been increased for 22 years, while inflation has ravaged the buying power of highway revenues.

We recommend that Congress look favorably on both these actions to provide a sound financial footing for our highway programs of the future.

One other aspect of highway financing is also of concern: obligation controls. These controls are a legitimate means of restricting public sector expenditures and reducing pressure on the economy during short-term, unique situations. However, as a long term measure they are damaging to efficient highway program implementation, cause cost increases due to project delays, and violate the essential principles of Highway Trust Fund authorizations and contract authority. Washington along with many other states has requested Congress to reconsider any extension of obligation controls past fiscal year 1982.

5. NEED FOR A HIGHWAY BILL THIS YEAR

Just as important as the specific provisions Congress may decide to select is the need to take some action this fall. Interstate program apportionments for the coming fiscal year are scheduled to be released on October 1, 1981. This will mean some $135 to $150 million in Interstate funds for Washington. These funds are essential for continued progress on our Interstate program. However, these funds cannot be released without enactment of either a new highway act, or at least a concurrent resolution to adopt the national 1981 Interstate Cost Estimate.

TESTIMONY
BY
ROBERT WARD
COMMSSIONER

ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
TO THE
SUBCOMMITTEE ON TRANSPORTATION
OF THE
SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE
ON
AUGUST 17, 1981
AT
SEATTLE, WASHINGTON

COMMISSIONER WARD'S TESTIMONY

ALASKA DEPARTMENT OF TRANSPORTAION AND PUBLIC FACILITIES

Mr. Chairman and members of the Committee, my name is Robert W. Ward, and as Commissioner of the Alaska Department of Transportation and Public Facilities I am pleased to be before you today representing Governor Hammond and the State of Alaska.

My comments today extend to four distinct areas of the federal highway program. These areas are as follows: 1) administrative simplicity; 2) obligational authority imposed upon the States; 3) the future of the Secondary or "Rural" program and 4) Interstate construction and "4R" funding.

1. The nearly thirty funding categories within the federal highway program, as well as the regulations for administration of the highway program, impose undue burdens upon both the Federal Highway Administration and the individual States. The burden to comply with these regulations and the requirements imposed on categorical projects add significantly to the cost of building and maintaining highway system. My department recently made an assessment of just how much these constraints add to the cost of our highway program. A cost comparison between the use of state versus federal funds for highway construction shows that federal regulations and category requirements add between 15% and 25% to the cost.

I would urge this Committee to consider the reduction of highway funding categories and regulations. To reduce the number of categories and to provide federal Agencies with a clear opportunity to simplify the regulatory process would afford in large measure the States ability to control the costs for their highway programs.

2. With regard to obligational limitations imposed on the States. Alaska questions the rationale for these limitations. The Congress created a Highway Trust Fund to provide the nation with a self-sustaining source of funds to construct and maintain the world's finest highway system. Over the years the Highway Trust Fund concept has proved successful beyond perhaps anyone's imagination at the time of its inception. User fees are paid into the fund, from which appropriate ions are made for the specific purpose of funding the highway program. The imposition of limitations upon the States' to obligate highway funds rightfully appropriated to them is counter to the very concept of a Trust Fund. However, I understand that the Congress may feel obligational limitations imposed on Trust Fund appropriations are at this time necessary so that the Office of Management and Budget can control Trust Fund expenditures as well as General Fund expenditures in order to manage the cash flow of the overall Federal Government.

If this is the case, then the enactment of an "eighty/twenty" formula in any highway legislation would be an appropriate consideration for this committee. If States are given authority over eighty percent of their appropriations during the first three quarters of a year, then project scheduling and other management tools can be brought into play to realize a more effective and efficient highway program at the State level. Further, the competitive nature of the final twenty percent of obligational authority does not unduly penalize those States, including Alaska, which have a pressing need for highway expenditures.

3. I have noted that this Committee has endorsed the continuation of a Secondary or "Rural" highway program through Senate Bill 1024. I have also noted that Secretary Lewis has stated to the affect that the Administration, by its willingness to support S1024, is willing to endorse the continuation of a Secondary

program.

Alaska too supports the continuation of this important program. Alaska contributes funds to highway construction and reconstruction in an amount almost equal to the Federal-aid funds it receives. The matching requirement for rural thoroughfares under the Secondary program is not significant since Alaska contributes as much to the total package of highway projects, including Secondary routes, as does the Federal government.

It is my understanding that other States have testified before this Committee that continuation of a Secondary or Rural program is necessary given the nationwide trend toward abandonment of rural railroad branchlines. Alaska endorses this question. While this does not specifically apply in Alaska, it is important to note that Alaska's Secondary routes in many rural areas serve as a critical link between a community and its adjacent airstrip. The requirement for continued support of these routes is acute since the vast majority of our rural communities do not have highway connections with the rest of the State. Simply stated, more than 150 of our rural communities have air transport as their only link with the rest of the world, and in many of these communities the local Secondary highway is the only link with the airport.

4. With respect to Interstate construction and "4R" funding, I would like to here state my support for a continuation of minimum apportionments of at least one-half of one percent. As many members of this Committee may be aware, Alaska is the only State which does not have Interstate routes.

We have shown in the recent past, under Section 156 of the Surface Transportation

Act of 1978, that 1,100 miles of our primary routes can qualify as Interstate routes in terms of defense requirements, average daily traffic, intercity connectivity and economic activity. However, the previous Administration refused to support an Interstate program for Alaska. The cost of bringing our Interstate candidate routes up to nationally accepted sufficiency standards was in excess of $1.4 billion. I would emphasize here that this cost estimate was not for fourlane, full control access design standards, but was rather for twolane design standards for about 1,000 miles and fourlane for the remaining 100 or so miles.

We have approached the present Adminstration on this subject, and we offered to pay the cost of bringing the routes up to standard with State funds and with existing Federal-aid monies, if they would support the designation of these routes as completed Interstate routes.

Secretary Lewis informed me personally that he would support our new proposal. What we would ask of the Congress is the continuation of a fair, minimum share of Interstate construction funds in order to supplement the improvement efforts we have volunteered to make.

I note the support this Committee has given to an indefinite extension of the minimum Interstate construction apportionment, and I thank the Committee for that support.

Turning to the "4R" program, we also support a fair, minimum apportionment of funds, and we note the Committee's continued endorsement of that concept.

In terms of apportionment formulas for the "4R" program we support the 60% lane miles/40% vehicle miles, but we would also ask that the Committee assure that legislation take into account the fact that many States, particularly Western States, suffer significant deterioration of routes as a result of heavy vehicles used in resource exploration and development.

In our view the resource development issue requires a two-step approach. First, a method for highway weight restriction exemptions which is adminstratively simple and which is fair must be available to States. Second, some form of financial assistance which provides an equitable Federal share of the cost of repair to routes following major resource development activity must be made available to producing States. To illustrate just how significant these development costs can be, my own Department has shown that over $300 million in damage to Alaska's highways resulted from the construction of the Trans-Alaska Pipeline System. The nation now benefits from the oil flowing through the pipeline, but Alaska now faces a great financial burden if these routes are to be made safe and reliable. We urge this Committee to address this problem, which is unique to the producing States, in an equitable manner.

In closing, we are willing to do our share to maintain our part of the nation's highways. To do the job we must have a program in which we can depend upon receiving and expending our share of the resources, which is adminstratively simple and free from burdensome regulatory constraints, which serves the requirements of all residents, rural and urban alike, and which takes into account the unique problems of the States producing resources critical to the national interests and needs

Thank you for your considerate attention.

STATEMENT FROM
THE CALIFORNIA DEPARTMENT OF TRANSPORTATION
FOR THE
CHAIRMAN, TRANSPORTATION SUBCOMMITTEE
AND MEMBERS
ENVIRONMENT AND PUBLIC WORKS COMMITTEE
U.S. SENATE
AUGUST 17, 1981

MY NAME IS MARLIN BECKWITH, DEPUTY DIRECTOR FOR ADMINISTRATION AND FINANCE, FOR THE CALIFORNIA DEPARTMENT OF TRANSPORTATION, I APPRECIATE THE OPPORTUNITY TO PRESENT CALIFORNIA'S VIEW OF HIGHWAY TRANSPORTATION NEEDS FOR THE 1980'S AND TO SUGGEST SOME STRATEGIES THAT THE SUBCOMMITTEE MAY CHOOSE TO CONSIDER IN DEVELOPING A PROGRAM TO MEET THOSE NEEDS. EVEN THOUGH THIS HEARING IS FOCUSING ON HIGHWAY TRANSPORTATION, WE FEEL QUITE STRONGLY THAT ANY CONSIDERATION OF TRANSPORTATION NEEDS, REGARDLESS OF THE MODE, MUST BE BASED ON A BALANCED APPROACH TO SOLVING TRANSPORTATION ISSUES. AS SUCH, WE WANT TO STRESS AT THE OUTSET THE IMPORTANCE OF TRANSIT AS WELL AS HIGHWAY SOLUTIONS, AND THE NECESSITY FOR THE FEDERAL GOVERNMENT TO CONTINUE AND EXPAND ITS COMMITMENT TO TRANSIT.

THE BASIC PURPOSE OF MY STATEMENT IS TO ENCOURAGE THE COMMITTEE TO PROPOSE HIGHWAY TRANSPORTATION LEGISLATION THAT FOCUSES ON PROTECTING THE EXISTING INVESTMENT IN TRANSPORTATION, ESTABLISHING A FRAMEWORK FOR A MORE ENERGY-EFFICIENT TRANSPORTATION SYSTEM, PROVIDING COST-EFFECTIVE TRANSPORTATION IMPROVEMENTS, AND ALLOWING THE FLEXIBILITY TO SELECT SOLUTIONS TO TRANSPORTATION ISSUES BASED ON THEIR EFFECTIVENESS, REGARDLESS OF MODE.

OUR DISCUSSION WILL BEGIN WITH CALIFORNIA'S VIEW OF WHAT SHOULD SERVE AS THE BASIC FOUNDATION OF SUCH A STRATEGY AND THEN CLOSE WITH OUR RECOMMENDATION ON HOW THE STRATEGY SHOULD BE APPLIED. WITH THIS APPROACH IN MIND, THE COMMITTEE'S ATTENTION IS DIRECTED TO OUR PERSPECTIVE OF THE FOUR MAJOR POINTS YOU SHOULD CONSIDER IN DEVELOPING THE NEXT SURFACE TRANSPORTATION ACT.

PRESERVING EXISTING INVESTMENTS

THE FIRST ELEMENT IN OUR SUGGESTED STRATEGY IS THE NEED TO PERSERVE OUR EXISTING INVESTMENTS IN TRANSPORTATION. BECAUSE THAT INVESTMENT IS VERY SUBSTANTIAL AND THE COST TO REPLACE IT WOULD BE STAGGERING, WE SHOULD HAVE A WELL-CONCEIVED PLAN TO PROTECT WHAT IS ALREADY IN PLACE BEFORE WE EVEN TALK ABOUT PLANNING FOR FUTURE TRANSPORTATION PROJECTS. FUTURE LEGISLATION MUST RECOGNIZE THAT WE HAVE A FUNDAMENTAL OBLIGATION TO MAINTAIN THE EXISTING SYSTEM, AS WELL AS TO REHABILITATE OR RECONSTRUCT SEGMENTS OF THIS SYSTEM AS THEY WEAR OUT.

IN ORDER TO ASSURE THAT FINANCING WILL BE AVAILABLE TO PRESERVE AND ENHANCE THE PUBLIC'S EXISTING INVESTMENT, WE MUST MAKE MORE EFFICIENT USE OF THE SYSTEM WE HAVE. THIS MEANS TRANSPORTATION SOLUTIONS WHICH INCREASE THE PEOPLE-CARRYING CAPACITY OF THE EXISTING SYSTEM, AND WHICH ENCOURAGE MORE PEOPLE THROUGHPUT WITHOUT A CORRESPONDING INCREASE IN THE NUMBER OF VEHICLES USING THE SYSTEM.

THE SIZE AND WEIGHT OF TRUCKS IS A VERY CRITICAL FACTOR IN THE PRESERVATION OF THE EXISTING HIGHWAY SYSTEM. HEAVY TRUCKS ARE A MAJOR CAUSE OF HIGHWAY DETERIORATION. SMALL INCREASES TO TRUCK WEIGHTS CAN GREATLY MAGNIFY THE LEVEL OF PAVEMENT STRESS AND DAMAGE. OVERLENGTH TRUCKS CAUSE SIMILAR PROBLEMS THROUGH A CHARACTERISTIC CALLED OFFTRACKING. OFFTRACKING OCCURS WHEN A TRUCK IS EITHER TOO WIDE FOR THE LANE WIDTH IT IS TRAVELING ON OR IS TOO LONG TO NEGOTIATE A TURN AND STILL REMAIN WITHIN ITS ESTABLISHED LANE OF TRAFFIC. THE RESULT IS DRIFTING INTO OTHER LANES OF TRAFFIC OR OFF THE SIDE OF THE ROAD. THIS SO CALLED OFFTRACKING FREQUENTLY DAMAGES OUR FACILITIES BY DESTROYING LIGHT STANDARDS, HIGHWAY SIGNS, FENCES, AND OTHER HARDWARE ADJACENT TO THE ROADWAY. OFFTRACKING IS ALSO A MAJOR SAFETY HAZARD.

THEREFORE, IN KEEPING WITH THE NEED TO MAINTAIN THE EXISTING INVESTMENT, WE RECOMMEND A SET OF UNIFORM LAWS THAT APPLY TO INTERSTATE TRUCKING WHICH RESTRICT THE SIZE AND WEIGHT OF TRUCKS TO THE DESIGN CAPACITY OF THE EXISTING SYSTEM WITHOUT CAUSING UNREASONABLE CURTAILMENT TO THE TRUCKING INDUSTRY.

ENERGY CONSERVATION

THE SECOND ELEMENT TO BE CONSIDERED IN DEVELOPING A FUTURE PROGRAM IS THE NEED TO CONSERVE ENERGY. ABOUT 65 PERCENT OF ALL PETROLEUM-BASED ENERGY IS USED BY TRANSPORTATION. THIS IS OF VITAL IMPORTANCE BECASUE THE TRANSPORTATION SYSTEM WE CURRENTLY HAVE IN PLACE IS ALMOST TOTALLY DEPENDENT ON PETROLEUM, NOT A MIXTURE OF PETROLEUM AND OTHER ENERGY SOURCES. THIS PUTS US IN A PERILOUS POSITION

BECAUSE OF THE LIKELIHOOD THAT THE FUTURE COST OF ENERGY WILL BE A LOT HIGHER THAN THE PAST. FURTHERMORE, IT IS EVIDENT THAT THE SUPPLY IS NOT VERY SECURE--WE'VE SEEN IT SERIOUSLY DISRUPTED TWICE IN THE LAST SIX YEARS.

THE PROBLEM IS THAT MOST OF THE TRAVEL IN CALIFORNIA AND THE COUNTRY AS A WHOLE IS BY THE LEAST ENERGY-EFFECTIVE MODES--THAT GOES FOR BOTH PASSENGER AND FREIGHT TRANSPORTATION. ON THE PASSENGER SIDE, ABOUT 98 PERCENT OF ALL TRAVEL IS BY AUTOMOBILE. THAT AUTO IS ABOUT ONE-QUARTER AS ENERGY EFFICIENT AS A FULLY LOADED BUS AND ABOUT ONE-SEVENTH AS A FULLY LOADED PASSENGER TRAIN. ON THE FREIGHT SIDE, THE GREATER PART OF COMMODITY SHIPMENTS ARE BY TRUCK. THE ENERGY REQUIRED TO MOVE A TON OF GOODS BY TRUCK IS EIGHT TIMES GREATER THAN THE ENERGY REQUIRED TO MOVE IT BY RAIL.

UNFORTUNATELY, OPERATION OF THE PRESENT TRANSPORTATION SYSTEM IS ALMOST TOTALLY DEPENDENT ON PETROLEUM. BECAUSE OF THE UNCERTAINTIES FACING THE CONTINUED FLOW OF PETROLEUM AND THE ALMOST CERTAINTY THAT LESS OF US WILL BE ABLE TO AFFORD USING PETROLEUM AT OUR PRESENT LEVELS, WE MUST CREATE A MORE ENERGY-EFFICIENT TRANSPORTATION SYSTEM THAT RECOGNIZES THE ENERGY PROJECTIONS OF THE FUTURE. SINCE PETROLEUM HAS BEEN ONE OF THE MAJOR FACTORS, IF NOT THE MAJOR FACTOR, IN CONTRIBUTING TO THE INFLATION PROBLEM IN THIS COUNTRY, ENERGY CONSERVATION HAS THE ADDED BENEFIT OF MAJOR INROADS IN REDUCING THE LEVEL OF PETROLEUM USED BY OUR COUNTRY AND BRINGING INFLATION UNDER CONTROL.

COST EFFECTIVENESS

THE THIRD ELEMENT OF ANY FUTURE PROGRAM SHOULD CONSIDER THE BENEFITS OF TRANSPORTATION SOLUTIONS RELATED TO COST. ALTHOUGH TRANSPORTATION FACILITIES AND SERVICES ARE EXTREMELY EXPENSIVE, A GREAT DEAL CAN BE DONE TOWARD PROVIDING A MORE ENERGY-EFFICIENT TRANSPORTATION SYSTEM THAT WILL NOT REQUIRE MASSIVE EXPENDITURES OF TAXPAYERS' DOLLARS. TODAY'S ECONOMICS REQUIRE THAT WE LOOK FOR COST-EFFECTIVE SOLUTIONS TO MAXIMIZE THE USE OF AVAILABLE DOLLARS. CLEARLY, ANY FUTURE CAPITAL INVESTMENT IN TRANSPORTATION MUST BE CONSIDERED IN THIS LIGHT. IN THE PAST, BUILDING MORE HIGHWAYS TO ACCOMMODATE TRAVEL DEMAND WAS CONSIDERED THE ANSWER TO EVERY TRANSPORTATION PROBLEM. THE NEED TO CONSERVE ENERGY, COUPLED WITH SPIRALLING INFLATION AND THE PROHIBITIVE COST OF SINGLE-PASSENGER AUTOMOBILE USE TO AN INCREASING SEGMENT OF OUR SOCIETY HAS FORCED A REEXAMINATION OF OUR PRIORITIES.

IN CALIFORNIA, THIS REEXAMINATION BEGAN SEVERAL YEARS AGO UNDER THEN-GOVERNOR REAGAN. IN THE EARLY SEVENTIES, THE CALIFORNIA DEPARTMENT OF TRANSPORTATION ASKED A CONSULTANT TO DO A COST-EFFECTIVENESS STUDY OF THE STATE'S PLANNING HIGHWAY TRANSPORTATION SYSTEM. THE BASIC IDEA PROPOSED BY THE CONSULTANT WAS THAT THE MERITS OF TRANSPORTATION FACILITIES SHOULD BE CONSIDERED ON THE BASIS OF WHAT THE PUBLIC GETS IN TERMS OF TRAFFIC BENEFITS FOR A GIVEN INVESTMENT. FOR EXAMPLE, SUBSTANTIAL CAPITAL INVESTMENT IN NEW HIGHWAY FACILITIES DOES NOT NECESSARILY HAVE A HIGHER RETURN OF BENEFITS TO COSTS THAN, SAY LOWER COST OPERATIONAL IMPROVEMENTS. THE RESULTS OF THAT STUDY ARE JUST AS APPLICABLE TODAY AS THEY WERE IN THE SEVENTIES.

THE STUDY ALSO STRESSED THE IMPORTANCE OF LOOKING AT SYSTEM COSTS AND BENEFITS. IF SUFFICIENT FUNDS ARE NOT AVAILABLE TO FULLY CONSTRUCT A PARTICULAR SYSTEM AS WAS ORIGINALLY PLANNED, IT'S PROBABLY NOT A GOOD IDEA TO BUILD PART OF THE SYSTEM AT ITS ORIGINAL SCOPE AND DO NOTHING WITH THE REMAINDER. IT'S BETTER TO RE-THINK THE ENTIRE SYSTEM TO SEE WHAT YOU CAN BUY OVERALL AT THE LOWER FUNDING LEVEL.

SEEKING COST-EFFECTIVE SOLUTIONS TO TRANSPORTATION PROBLEMS IS ESPECIALLY IMPORTANT WHEN CONSIDERING THE IMPACT OF INFLATION ON CONSTRUCTION ACTIVITIES. THE DOLLARS WE HAVE TODAY CAN BUILD ONLY ONE-THIRD OF WHAT THEY COULD BUILD SEVEN YEARS AGO. TRANSPORTATION CONSTRUCTION, ESPECIALLY NEW HIGHWAY CONSTRUCTION, HAS BEEN PARTICULARLY HIT HARD BY INFLATION SINCE MANY OF THE MATERIALS WE USE ARE PETROLEUM PRODUCTS, AND THEIR PRICES HAVE BEEN RISING MUCH FASTER THAN THE PRICES OF OTHER COMMODITIES.

TO SUMMARIZE THE NEED FOR A COST-EFFECTIVE ELEMENT IN ANY PROPOSED PROGRAM, WE SHOULD RECOGNIZE THAT THE BASIC HIGHWAY NETWORK IN THIS NATION IS ESSENTIALLY COMPLETE. IT DOES NOT MAKE SENSE TO SPEND BILLIONS OF DOLLARS, TO CONTINUE NON-EFFICIENT ELEMENTS OF OUR TRANSPORTATION SYSTEM, EITHER IN TERMS OF ACTUAL CONSTRUCTION OR THE MODE OF TRAVEL USED. THERE ARE MORE COST EFFECTIVE AND ENERGY EFFICIENT SOLUTIONS AVAILABLE. THESE SOLUTIONS INCLUDE LOWER COST OPERATIONAL IMPROVEMENT PROGRAMS AND GREATER CAPITAL INVESTMENT IN ALTERNATIVE MODES OF TRANSPORTATION.

GREATER FLEXIBILITY

THE FOURTH AND FINAL ELEMENT WE WOULD ASK YOU TO CONSIDER IN DEVELOPING THE NEW PROGRAM IS INCREASED FLEXIBILITY IN SELECTING TRANSPORTATION SOLUTIONS. THIS ELEMENT IS CRITICAL TO BEGIN ABLE TO MAKE THE FIRST THREE COMPONENTS WORK IN MEETING THE NATION'S NEEDS. AN EFFECTIVE PROGRAM IS DEPENDENT ON CHOOSING AND FUNDING THE MOST COST-EFFECTIVE, ENERGY-EFFICIENT SOLUTION REGARDLESS OF TRANSPORTATION MODE OR FEDERAL PROGRAM. OUR EFFORTS TO REDUCE ENERGY USED FOR TRANSPROTATION, FOR EXAMPLE, WOULD BE MORE EFFECTIVE IF THERE WERE GREATER FLEXIBILITY IN THE USE OF TRANSPORTATION RESOURCES.

THERE ARE NUMEROUS ARTIFICIAL CONSTRAINTS WE FACE IN DETERMINING HOW TO GET THE MOST OUT OF OUR TRANSPORTATION DOLLARS. CALIFORNIA IS VERY CONCERNED ABOUT THE INCREASING LACK OF FLEXIBILITY LEFT TO STATE GOVERNMENT BECAUSE OF THE MYRAID OF FEDERAL PROGRAMS AND OUR ABILITY TO FINANCE LITTLE OTHER THAN THE STATE MATCHING REQUIREMENTS FOR THOSE PROGRAMS. WE ALSO HAVE EXTREMELY INADEQUATE OPTIONS FOR TRADING FUNDS BETWEEN TRANSPORTATION MODES. OFTEN THIS PUTS A STATE IN THE DILEMMA OF NOT MEETING WHAT WE PERCEIVE AS OUR HIGHEST PRIORITY NEEDS OR SELECTING THE LEAST COST-EFFECTIVE OR ENERGY-EFFICIENT SOLUTION TO A TRANSPORTATION PROBLEM BECAUSE TO DO SO WOULD MEAN A LOSS OF FEDERAL AID.

NOW THAT I HAVE IDENTIFIED THESE FOUR MAJOR CONSIDERATIONS WHICH WE FEEL SHOULD SERVE AS THE BASIS FOR THE NEXT SURFACE TRANSPORTATION ACT. I WOULD LIKE TO DISCUSS THE APPLICATION OF THESE COMPONENTS.

TRANSPORTATION NEEDS

AS WE INDICATED IN OUR OPENING REMARKS, THE FOCUS OF THE HEARING IS ON HIGHWAY TRANSPORTATION; HOWEVER, BECAUSE OF THE IMPORTANCE IN SEEKING BALANCED SOLUTIONS TO TRANSPORTATION PROBLEMS, WE WILL MAKE A FEW BRIEF COMMENTS ON TRANSIT.

WE BELIEVE THERE IS A CRITICAL NEED FOR A MAJOR FEDERAL TRANSIT INVESTMENT PROGRAM. THIS HAS BEEN A KEY ELEMENT OF OUR STRATEGY IN CALIFORNIA, AND WE HAVE BACKED-UP OUR COMMITMENT WITH STATE FUNDS. IF WE'RE REALLY GOING TO HAVE A SUBSTANTIAL IMPACT ON ENERGY USE IN TRANSPORTATION AND PROVIDING MOBILITY FOR ALL OUR CITIZENS IN THE NEXT DECADE, WE ARE SUGGESTING TO CONGRESS THAT SUBSTANTIAL ATTENTION SHOULD BE GIVEN TO TRANSIT AND TRANSIT-RELATED INVESTMENTS. MORE FEDERAL FUNDS SHOULD BE AVAILABLE FOR TRANSIT AS A PRIMARY WAY TO RESPOND TO THE COUNTRY'S MOBILITY NEEDS. WITH A COMBINED EFFORT--STATE AND FEDERAL--WE CAN BEGIN TO PROVIDE THE RESOURCES FOR A TRANSIT INVESTMENT PROGRAM THAT WILL CREATE THE CAPACITY TO HANDLE WHAT WE THINK IS A LONG-TERM DEMAND FOR PERSONAL MOBILITY BY MEANS OF PUBLIC TRANSPORTATION AND OTHER ENERGY-EFFICIENT MODES.

IN CONTRAST TO THE TRANSIT AREA, WE BELIEVE THE FEDERAL HIGHWAY PROGRAM IS RELATIVELY WELL FUNDED. THE BASIC THRUST FOR IMPLEMENTING OUR SUGGESTED STRATEGY FOR MEETING HIGHWAY NEEDS, IS THAT ANY FUTURE FEDERAL INVESTMENT SHOULD BE LIMITED TO THOSE PROGRAMS OF OVERRIDING NATIONAL INTEREST, WITH REMAINING FUNDING SET ASIDE FOR A LARGER REHABILITATION PROGRAM AND ENERGY-RELATED INITIATIVES WITH PROVISIONS FOR FUNDING TRADE-OFFS BETWEEN TRANSPORTATION MODES.

THE INTERSTATE PROGRAM HAS LONG BEEN RECOGNIZED AS THE TOP FEDERAL HIGHWAY PRIORITY. FOR SEVERAL YEARS, THERE HAS BEEN A GROWING CONCERN ABOUT THE FEDERAL GOVERNMENT'S ABILITY TO COMPLETE THIS SYSTEM. WE PROPOSE REDUCING THE INTERSTATE PROGRAM TO REMAINING GAPS AND THOSE PROJECTS THAT WERE ORIGINALLY AGREED UPON AS STAGE CONSTRUCTION. THIS WOULD REDUCE THE COST TO COMPLETE FROM THE CURRENT $50± BILLION TO APPROXIMATLEY $38 BILLION. THAT LEVEL COULD BE FINANCED OVER A 10-YEAR PERIOD WITH SOME CAPABILITY LEFT UNDER EXISTING FUNDING MECHANISMS TO FUND A SUBSTANTIAL REHABILITATION PROGRAM PROTECTING OUR CURRENT HIGHWAY INVESTMENT, WHICH CERTAINLY SHOULD BE A HIGH FEDERAL PRIORITY, CAN BE ASSURED BY FINANCING A PROGRAM FOR REHABILITATION OF ALL FEDERAL SYSTEMS.

TO MEET THE NEED FOR A HIGHER DEGREE OF FLEXIBILITY, WE SUGGEST THAT THE CONGRESS MAY WISH TO CONSIDER A MAJOR REDEFINITION OF THE FEDERAL ROLE IN FINANCING TRANSPORTATION. ADOPTING THE PHILOSOPHY THAT FEDERALISM HAS BECOME ALL TOO PERVASIVE, SUCH A REDEFINITION WOULD SEEM TO BE CONSISTENT WITH THE CURRENT ADMINISTRATION'S POLICY OF SHIFTING MAJOR PROGRAM RESPONSIBILITIES TO THE STATES.

TO ACCOMPLISH THIS REDEFINITION, CALIFORNIA WOULD PROPOSE THAT REVENUES IN THE HIGHWAY TRUST FUND BE REDISTRIBUTED INTO THREE BASIC PROGRAMS: A) COMPLETION OF A DOWNSCOPED INTERSTATE SYSTEM; B) REHABILITATION OF CURRENT FEDERAL-AID SYSTEMS; AND C) AN ENERGY INITIATIVES PROGRAM AIMED AT CONSERVING ENERGY AND PROMOTING MORE EFFICIENT USE OF OUR EXISTING HIGHWAY FACILITIES THROUGH TRANSPORTATION SYSTEMS MANAGEMENT TECHNIQUES.

A FURTHER STEP IN REDEFINING TRANSPORTATION FINANCING WHICH WE BELIEVE IS NEEDED IS THE OPTION TO MAKE TRADE-OFF DECISIONS BETWEEN FUNDING HIGHWAY OR TRANSIT PROJECTS BASED ON THE BEST SOLUTION TO A TRANSPORTATION PROBLEM. THE CRITICAL FACTORS IN ARRIVING AT THE BEST SOLUTION SHOULD BE ENERGY AND COST EFFECTIVENESS. TO THAT END, CALIFORNIA DOES NOT SUPPORT EXTENSION OF THE HIGHWAY TRUST FUND CONCEPT INDEFINITELY, RATHER, WHAT MAY REALLY BE NEEDED IS A COMBINATION OF TRANSPORTATION FUNDS--BOTH HIGHWAYS AND TRANSIT--INTO A SINGLE UNIFIED FUND SO THAT PROJECTS MAY BE SELECTED ON THE BASIS OF THEIR EFFECTIVENESS WITHOUT REGARD TO MODE. THIS WOULD PROVIDE THE APPROPRIATE FUNDING MECHANISM TO ENSURE A SELECTION OR COMBINATION OF MODES TO BEST MEET TRANSPORTATION NEEDS NATIONALLY, STATEWIDE AND LOCALLY.

AN EXAMPLE OF THE KIND OF TRADE-OFF CAPABILITY WE ARE HOPING FOR IS THE INTERSTATE TRANSFER PROGRAM. AS SUCH, WE BELIEVE ONE OF THE WAYS THE FEDERAL GOVERNMENT COULD SHOW ITS COMMITMENT TO TRANSIT IS TO FUND THE INTERSTATE TRANSFER PROGRAM FROM THE FEDERAL HIGHWAY TRUST FUND. WE SUGGEST THIS BECAUSE OF THE CONTINUING UNCERTAINITY AS TO THE AVAILABILITY OF GENERAL FUNDS WHEN A TRANSFER PROJECT IS READY TO BE FUNDED.

BECAUSE THESE PROPOSALS ARE A RADICAL CHANGE FROM THE STATUS QUO, THERE WILL BE A TENDENCY TO OPPOSE THEM FOR THAT REASON ALONE. THE PROBLEMS OF FEDERALISM, HOWEVER, INCLUDING TOO MANY FEDERAL PROGRAMS AND FEDERAL RESTRICTIONS ON AVAILABLE FUNDS, HAVE DRAWN CRITICISM FOR MANY YEARS. BUILDING A PROGRAM FOR THE NEXT DECADE APPEARS TO PROVIDE THE OPPORTUNITY TO INCORPORATE THESE KINDS OF SIGNIFICANT, AND WE FEEL BENEFICIAL CHANGES.

THERE ARE A NUMBER OF ADDITIONAL UNNECESSARY FEDERAL CONTROLS AND REGULATIONS WHICH SHOULD BE ELIMINATED IN FUTURE HIGHWAY PROGRAMS. A SIGNIFICANT FEDERAL CONSTRAINT PLACED ON TRANSPORTATION DEVELOPMENT IN RECENT YEARS HAS BEEN THE APPLICATION OF "FEDERAL STANDARDS." WE BELIEVE THE STATES ARE CAPABLE OF DETERMINING APPROPRIATE FACILITY DESIGNS IN THEIR OWN RIGHT AND THAT THEY SHOULD BE ENTRUSTED WITH DECISIONS REGARDING TYPE AND LEVEL OF DEVELOPMENT AS PRIORITIES DICTATE. WE RECOGNIZE THE NEED FOR SOME STANDARDIZATION, PARTICULARLY ON THE INTERSTATE AND PRIMARY SYSTEMS. HOWEVER, ON THE SYSTEMS OF LESSER FEDERAL INTEREST, THERE SEEMS TO BE ROOM FOR SOME REDUCTION IN THE NUMBER OF REQUIREMENTS WHICH MUST BE MET PRIOR TO QUALIFYING FOR FEDERAL FUNDING.

DESIGN STANDARDS ARE A PARTICULAR PROBLEM. WHILE THERE ARE CERTAIN STANDARDS, SUCH AS LANE WIDTH, THAT ARE APPROPRIATE NATIONWIDE, OTHER STANDARDS, SUCH AS BRIDGE WIDTHS, SHOULD BE FLEXIBLE ENOUGH TO ADJUST TO THE LOCAL SITUATION AND THE TRANSPORTATION NEED. FOR EXAMPLE, IT MAKES NO SENSE TO REQUIRE A BRIDGE OF 40 FEET ON A LOW VOLUME, ENVIRONMENTALLY SENSITIVE ROAD THAT IS 24 FEET WIDE AND PROBABLY WILL NOT BE IMPROVED DURING THE LIFE OF THE BRIDGE. SUCH INFLEXIBILITY IS TOTALLY OUT OF TOUCH WITH THE REALITIES OF TODAY'S CONDITIONS AND AVAILABLE FUNDING.

MANY OF THESE TYPES OF CONSTRAINTS JUST DISCUSSED HAVE BEEN WITH US FOR YEARS; HOWEVER, THE LATEST IN A SERIES OF SUBTLE INTERVENTIONS IS THE PROPOSAL FOR QUARTERLY CONTROL OF FEDERAL OBLIGATION AUTHORITY. IMPLEMENTATION OF THIS PROPOSAL WOULD CAUSE US TO ESTABLISH A PROJECT ADVERTISING SCHEDULE BASED ON THE SIZE OF PROJECTS RATHER THAN ON THE BASIS OF PRIORITY OR OTHER RELEVANT FACTORS. THIS COULD CAUSE A POOR MIX OF PROJECTS AND A RESULTANT INCREASE IN PROJECT COSTS RESULTING FROM ADVERTISING DELAYS. THE BEST SOLUTION WOULD BE THE ELIMINATION OF THE OBLIGATION AUTHORITY CONSTRAINTS. SIMPLY ALLOW THE STATES TO SPEND THE FUNDS APPROPRIATED TO THEM. AT MAXIMUM, THE PRESENT 80/20 PERCENT OBLIGATION SYSTEM SHOULD BE RETAINED. HOWEVER, AND WE WOULD STRESS THIS POINT, ANY DISTRIBUTION OF OBLIGATION AUTHORITY SHOULD BE TIED TO THE PERCENTAGE OF TOTAL ANNUAL APPORTIONMENT THAT EACH STATE RECEIVES.

THERE ARE A FEW OTHER POINTS WHICH WE SHOULD BE MADE:

- INDIVIDUAL RETURN RATES OF FEDERAL AID TO THE STATES SHOULD NOT BE LESS THAN 85 PERCENT OF TRUST FUND CONTRIBUTIONS.

- IN SETTING UP A DISTRIBUTION FORMULA FOR OTHER THAN INTERSTATE AND THE 4R PROGRAM, WE STRONGLY SUPPORT A 50/50 FORMULA BASED ON LANE MILES AND VEHICLE MILES TRAVELED.

- HOV LANES HOLD GREAT PROMISE FOR URBAN AREAS. FEDERAL SUPPORT AND INCLUSION AS A PART OF THE INTERSTATE SYSTEM IS ENCOURAGED.

- GUARANTEED MINIMUMS IN SPECIAL CATEGORIES, SUCH AS INTERSTATE, ARE NOT SUPPORTED AND ACTUALLY ARE COUNTER-PRODUCTIVE IN COMPLETING THE SYSTEM.

- ONE OF THE PRESENT BILLS UNDER CONSIDERATION, S1024, RESTRICTS THE USE OF URBAN PROGRAM FUNDS IN A MANNER THAT IS NOT COMPATIBLE WITH THE WAY THE FUNDS ARE TO BE APPROPRIATED. TO STATE THIS AS SIMPLY AS POSSIBLE:

  -- SECTION 112 OF THE PROPOSED BILL STATES THAT ALL URBANIZED AREAS ARE ELIGIBLE FOR URBAN PROGRAM FUNDS. URBANIZED AREAS ARE DEFINED AS URBAN PLACES HAVING POPULATIONS GREATER THAN 50,000. AT THE SAME TIME, THE PROPOSED BILL WILL APPORTION URBAN FUNDS BASED ON URBAN PLACES THAT HAVE POPULATIONS GREATER THAN 5,000. OBVIOUSLY, URBAN AREAS WITH POPULATIONS OF 5,000 TO 50,000 ARE FIGURED IN WHEN SETTING APPORTIONMENT LEVELS BUT ARE UNABLE TO USE ANY OF THOSE FUNDS.

  -- IN ADDITION, SECTION 113 WHICH ESTABLISHES THE RURAL PROGRAM, LIMITS USE OF RURAL FUNDS TO URBANIZED PLACES. THE NET RESULT OF THESE TWO SECTIONS IS TO LEAVE THE URBAN PLACES WITH 5,000 TO 50,000 POPULATIONS HIGH AND DRY WITHOUT ANY URBAN OR RURAL FUNDS. OF COURSE, AS WE STATED EARLIER, WE BELIEVE THE BEST ACTION WOULD BE TO ELIMINATE THESE KINDS OF UNNECESSARY CONSTRAINTS AND PLACE THESE FUNDS IN BLOCK TRANSPORTATION GRANTS TO BE USED FOR THE MOST APPROPRIATE TRANSPORTATION NEED.

WE STRONGLY RECOMMEND THAT THESE FUNDS SHOULD NOT BE LIMITED TO ONE MODE. THE DECISION ON WHAT TRANSPORTATION SOLUTION SHOULD BE SELECTED SHOULD BE BASED ON THE MOST ENERGY-EFFICIENT/ COST-EFFECTIVE SOLUTION, NOT LOCKED IN TO A HIGHWAY SOLUTION BY FUNDING CONSTRAINTS.

- WE ALSO UNDERSTAND THAT ONE OF THE ALTERNATIVES THE COMMITTEE IS CONSIDERING AS PART OF PHASING OUT THE FEDERAL AND SECONDARY AND URBAN SYSTEMS, IS ESTABLISHING RURAL AND URBAN BLOCK GRANT CATEGORIES WHICH WOULD REQUIRE A 50/50 MATCHING RATIO AND WOULD SPECIFICALLY EXCLUDE THE USE OF THESE FUNDS FOR MASS TRANSIT. WE BELIEVE TRANSPORTATION NEEDS WOULD BE BETTER SERVED BY BROADENING THE BLOCK GRANT CONCEPT TO ONE MAJOR CATEGORY FOR ALL TRANSPORTATION SYSTEMS WHICH ARE NOT OF NATIONWIDE INTEREST; SYSTEMS OTHER THAN THE INTERSTATE AND PRIMARY SYSTEMS. WITH THE CURRENT SHORTAGE OF TRANSPORTATION FUNDS NATIONWIDE WE DO NOT SEE THE NEED FOR SUCH A LOW MATCHING RATIO. SOMETHING IN THE 80 PERCENT RANGE WOULD SEEM TO BETTER FIT THE STATES' CURRENT FINANCIAL CLIMATE.

OUR FINAL POINT IS THAT WE URGE YOU TO PASS A MULTI-YEAR HIGHWAY TRANSPORTATION BILL. YEARLY BILLS GREATLY RESTRICT STATES' ABILITY TO DEVELOP REALISTIC LONG-RANGE PLANS. WITHOUT KNOWING WHAT THE FUTURE WILL BRING IN THE WAY OF FEDERAL FUNDING AND PROGRAMS, STATES MAY WASTE RESOURCES IN FALSE STARTS ON PROGRAMS THAT WILL NOT BE FEDERALLY FUNDED OR MIGHT BE UNABLE TO PROMPTLY TAKE ADVANTAGE OF NEW OR EXPANDED PROGRAMS. IN ADDITION, WITH A MULTI-YEAR BILL, STATES CANNOT ALWAYS TAKE ADVANTAGE OF FUNDING MECHANISMS SUCH AS

THE ADVANCE CONSTRUCTION PROVISIONS OF TITLE 23. THIS ALSO CAN BE COSTLY BECAUSE STATES WITH CASH AVAILABLE CANNOT ADVANCE THEIR PROGRAMS, THEREBY GAINING SAVINGS BY BEATING INFLATION AND PROVIDING NEEDED TRANSPORTATION SERVICES MORE RAPIDLY.

SUMMARY

THIS COMPLETES CALIFORNIA'S VIEW OF OUR STATE'S NEEDS RELATIVE TO THE FEDERAL AID HIGHWAY PROGRAM. WE HAVE ATTEMPTED TO NOT ONLY COMMENT ON PENDING LEGISLATION, BUT TO GIVE THE COMMITTEE A SENSE OF THE FUTURE PROGRAM DIRECTION WE FEEL IS NECESSARY TO ENSURE AN OPERATIVE AND AFFORDABLE TRANSPORTATION NETWORK. WE CAN CONTINUE TO BE A HIGHLY MOBILE SOCIETY, BUT WE HAVE TO PROVIDE SOME NEW WAYS OF MOVING PEOPLE AND GOODS.

WE CAN'T IGNORE THE PROBLEM OF TRANSPORTATION ENERGY CONSUMPTION BECAUSE THE MARKET IS FORCING US TO DEAL WITH IT. WE NEED TO RESPOND CREATIVELY TO THE PROBLEMS OF UNCERTAIN OIL SUPPLIES AND RISING PRICES. WE MUST ENSURE THAT TRANSPORTATION IS AVAILABLE TO ALL SEGMENTS OF THE POPULATION, NOT JUST THOSE WHO CAN PAY FOR THE EVER-GROWING COST OF ENERGY. THE STATE OF CALIFORNIA WELCOMES THE OPPORTUNITY, IN COOPERATION WITH THE FEDERAL GOVERNMENT, TO BEGIN BUILDING FOR THE FUTURE, PROMOTING THE ECONOMY, AND MAINTAINING OUR NATIONAL MOBILITY,

WRITTEN STATEMENT OF

F. B. KLABOE

DIRECTOR

OREGON DEPARTMENT OF TRANSPORTATION

FOR THE

SUBCOMMITTEE ON TRANSPORTATION

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

UNITED STATES SENATE

AUGUST 17, 1981

REGARDING

FEDERAL-AID HIGHWAY IMPROVEMENT ACT OF 1981

S-1024

AND

FEDERAL-AID HIGHWAY ACT OF 1981

S-841

The Oregon Department of Transportation commends this Committee for continuing the process for creating new highway legislation and for giving us this opportunity to present our views. We are confident the resulting legislation will be responsive to the problems and changing needs of the highway systems throughout the country. The more one travels, the more apparent it becomes that a responsive federal program must recognize differing needs in the various regions and be sufficiently flexible to accommodate a number of priorities.

In Oregon, the highway system is, and is expected to remain, the backbone of our transportation system. We have substantial mileage and needs on our Primary System as well as our Interstate System, and we currently lack the resources to prevent our vital highway system from deteriorating. Our Legislature just passed an increase in our fuel and weight-mile taxes, most of which is subject to a vote next May. We are continually trying to carry our part of the financial burden for highway facilities in Oregon.

In today's economic and transportation climate, it is critical that the Federal-aid highway program be a multi-year program to provide lead time for state adjustments in manpower and fiscal resources. The incentives and flexibility for states to address their most critical needs must be built into any new highway legislation, if we expect to adequately meet the Nation's highway needs.

The following presentation addresses the major highway issues of concern to your Committee from Oregon's perspective.

COMPLETE THE INTERSTATE SYSTEM

Closing critical gaps in Oregon's Interstate System are high priority objectives. We need to complete the system and get on with the task of preservation of the existing highway system.

There has been much debate about what would be a reasonable redefinition of completion for the Interstate System. It is our judgment that a cost to complete similar to that embodied in HR 3210 as amended by the Shuster Amendment would adequately complete the national system. That cost, which is $37.1 billion, includes the completion of all critical gaps and nearly completed segments but deletes additional features in gap sections, already completed sections, and stage construction sections. It also includes $6.2 billion for upgrading some sections and $1.2 billion for HOV lanes.

There appears to be at least two major definitions of "closing gaps". Oregon has two sections (I-205 and I-82) that are not open to traffic.

No construction has started on I-82, which connects I-84 to I-90 in Eastern Oregon and Washington. On the other hand, I-205, which is a loop east of Portland, is open for about 75% of its length, and has some construction underway on the rest of its length.

The 1981 Interstate Cost Estimate includes $89 million for I-82 and $124 million for I-205. Oregon cannot open the remaining length of I-205 without most of this additional work. It is our understanding that the cost to complete I-205 is not included in the FHWA definition of essential work to open gaps. From our perspective, the completion of I-205 with most of its construction underway has a higher priority than starting work on I-82. The S 1024 definition apparently would have the state complete I-205 with 4R funds rather than completion funds. The logic of this change is not understandable.

It is recommended that the Interstate System be completed as soon as practicable by closing critical gaps and finishing only critical sections as embodied in HR 3210.

PRESERVE INTEGRITY OF HIGHWAY SYSTEM

S 841 and S 1024 contain substantial increased authorizations for resurfacing, restoring, and rehabilitating (3R) work and adds reconstruction to create the 4R program. This seems an appropriate response to the national interest in maintaining the investment in the Interstate System. Oregon would like to stress two points: (1) 4R is limited to Interstate only, whereas the remainder of the highway system needs attention and should not be forgotten; and (2) the 4R program should be kept simple and free from pressure to make it into a program which perpetuates completion of the Interstate System.

Approximately one year ago, statements by USDOT indicated that the Nation's Interstate System was deteriorating, but the Primary System was relatively stable and in good condition overall ("1981 Highway Legislation: Program and Review Options", pages 1 and 2). Oregon is experiencing deterioration on the Interstate System, but we are also experiencing deterioration on all our systems, most of which were built before the Interstate. A 1980 survey of Oregon highways rated 65% of the Interstate System as very good or good. Primary highways placed 30% of its mileage into those two groups, and the Secondary System had 18% of its mileage rated very good or good. (Accompanying this statement is a copy of Oregon's State Highway System Preservation Study.) Statements that the Primary System is in good condition are not substantiated in Oregon's case.

Our job now is to preserve and rehabilitate the highway systems built and in place, give priority to the Interstate, but certainly not neglect the remainder of the highways we have. There is some "stability" to the condition of the Oregon highway system; unfortunately, it is stable at a low-rated condition.

Any program addressing highway preservation and rehabilitation should focus on the total highway system. The Interstate System is part of the total Primary System and should receive priority, but there are legitimate federal responsibilities on other highway systems. The long history of federal and state commitment cannot now be ignored.

The other concern is that 4R will grow and become the new federal program replete with regulations, requirements, and controls. Heavy federal involvement is not required in a 3R or 4R program since it deals with facilities already in place, most of which were originally constructed to federal standards. Federal highway programs of the future must become less burdensome to states through a reduction of federal control at all phases of work. In this way, states will again have the ability to adequately address the problems of preserving the integrity of the entire highway system.

Oregon strongly endorses efforts to adequately address preservation of existing highway facilities, reconstruction of facilities where warranted, and equitable distribution of funds based on the usage a facility receives.

ROLE OF GOVERNMENT

Federal, state and local governments work together in a partnership in administering and implementing highway programs. Through proliferation of new highway programs and ever-expanding requirements, the balance of federalism has boldly shifted toward more federal control and less state/local control over programs and decisions. States do not need such close control, and few great gains or efficiencies are being realized because of it.

It is strongly recommended to reduce highway categories to only those few that truly serve a national purpose. The Interstate and Primary Systems are national in character, Secondary Highways and Bridge Replacement cause debate about national purpose, and special categories, such as Off-System Roads and the like, are limited in national scope. Oregon would like to see as few categories as possible and certainly no more than the six categories endorsed by AASHTO. These are: Interstate, Primary, Secondary and Urban Highways, Highway Bridge Replacement, and Safety.

The purpose of reducing categories is to help streamline the process, make it more efficient, give states more discretion over state decisions, and to make government more responsive to those it is intended to serve. Hopefully, noncritical categories can be eliminated.

Flexibility in the use of federal funds has become critical in Oregon. Lack of sufficient state revenue has forced us into a weakened posture trying to meet highway demands. This is a state problem, but federal recognition of this problem by providing transferability between or among categories, by retaining current matching ratios, and by instituting a block grant approach to funding with few strings attached is recommended. Additionally, we would urge flexibility to use Interstate 4R funds selectively on other federal-aid highway systems. The disproportionate distribution of funds going to Interstate 4R in relation to the amount of deterioration on that system cannot be justified. Citizens of our state are highly critical of the perceived gold-plating of the Interstate System, and the proposed 4R program without the transferability we ask for will continue this disparate situation.

A block grant approach would help Oregon be responsive to local urban and farm-to-market needs of present urban and secondary highways without having a full category program for each system.

In summary, it is recommended that the federal role be reserved for critical national priority programs and funding for other highway activities be accomplished through a pass-back of revenues to the states, or a block grant program with few categorical constraints attached.

TRUCK WEIGHT AND SIZE

Currently, there is a Truck Weight and Size Study and a Cost Allocation Study being performed at the federal level. Pending the outcome of those studies, it is recommended to review the uniform truck weight and size standards. The increase in heavy trucks upon the highways is remarkable and costs associated with that traffic should be equitably recovered. Also, the impact of any size changes in truck standards must be evaluated in terms of not only how those changes might impact the service life of the roadway and bridges, but also the impact on containerized freight that moves by trucks and other modes. If truck freight container size becomes incompatible with other modes, the number of heavy loads upon the highways might increase considerably and would cause more highway deterioration than anticipated.

HIGHWAY TRUST FUND

Given increasing costs to construct, preserve and maintain the highway system it becomes clear current programs must undergo significant changes in order to make the shrinking funds go far enough. It is recommended to extend and strengthen the Highway Trust Fund in order to meet the highway transportation needs of the Nation, state and local governments. User fees through fuel taxes and excise taxes have been the cornerstone of the Trust Fund and should continue.

During the 96th Congress, S 2913 proposed an ad valorem tax on wholesale gasoline in an effort to combat effects of inflation and decreasing gasoline consumption. The bill contained a 4% tax as opposed to the current 4-cent-per-gallon tax. Oregon recommended a minimum 8% ad valorem tax on the wholesale price of gasoline.

There is little question that the Nation's highways are in need of aggressive preservation and rehabilitation programs. Present funding levels will not get the job done.

When the Trust Fund was created, it was not intended to exist in perpetuity, but the system of highways it has helped create does exist in perpetuity, and the on-going costs of rehabilitation and preservation far exceed anyone's original expectations. The problems of highway rehabilitation and preservation are ones which will forever be with us and this Nation needs to secure an adequate and reliable source of funds to meet this challenge. The Federal Highway Trust Fund should be extended indefinitely to help meet on-going highway usage.

The Trust Fund should also be strengthened by increasing the federal gasoline tax rate and indexing these user fees to the cost of meeting highway needs.

OBLIGATION CEILINGS AND DISCRETIONARY FUNDS

Construction programs rely heavily on predictability of funding levels. Not so much that they always be high, but that levels of funding be known several years in advance and that the funds be there when the time comes. The lead time required in heavy construction requires this reliability.

Under current legislation, the authorization levels of highway programs are based on anticipated need, yet obligational ceilings on the contract authority portions of appropriations bills result in a reduction of funds available to meet those needs. Also, if cash liquidation appropriations are less than requests for liquidating cash from the states, the Administration puts spending restrictions on states.

Obligation ceilings, deferrals, and rescissions cause both short- and long-term problems in highway construction programs because of long lead times involved. The use of these controls should be limited in order to maintain some stability in highway and heavy construction.

Also, under current law, when individual state obligation limits are calculated, there are no provisions for recognizing discretionary funds that may have been allocated to that state. The limitation is set according to formula funds; nonformula and discretionary funds are not included. This, in effect, negates any value of having these funds. A state can spend their discretionary funds, but it counts against the ceiling amount and displaces other formula funds in the process. What value does discretionary funding have for a state under these limitations?

To compound the problem, states having a backlog of unobligated funds are unable to make up lost ground because of the limitation. This backlog in Oregon is the result of legal proceedings holding up freeway construction, yet Interstate transportation, in this example, along that route suffers because of the limitation.

If obligation ceilings continue to be used, there must be a fair and equitable way to recognize states with discretionary funds and large unobligated balances.

Given the paucity of funding at all levels of government, the recommendation we make is to ensure as much predictability as possible in funding by restricting use of obligational ceilings and building in as much flexibility to funding categories as possible to allow states leeway when financial crunches do occur. If discretionary funding is to serve any national purpose, it should be included in a state's obligation ceiling calculations so those funds can be used without displacing the use of other funds.

INTERSTATE WITHDRAWAL

Interstate withdrawal funds which enable substitution of highway or transit projects for withdrawn freeway segments are presently appropriated from the Federal General Fund. Over the past few years, appropriations have increased to the present level of $800 million for Fiscal Year 1981; recent figures have placed requests for these funds by states at over $5.4 billion at the end of 1980, with a projected balance over $13.7 billion by 1984. Clearly, this program is beginning to suffer the same fate as most other programs; demand far exceeding funds.

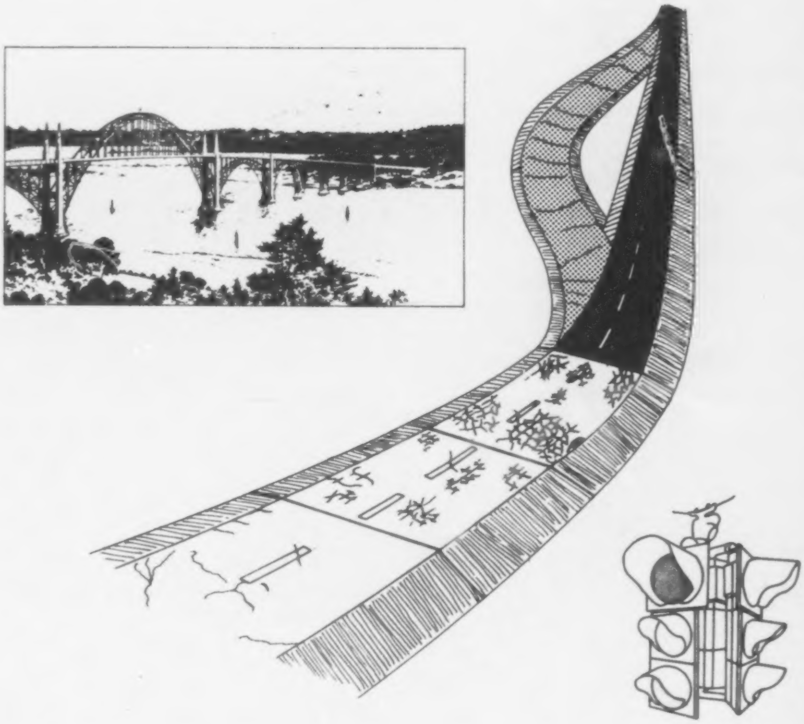
Starting September 30, 1980, 15% of the Windfall Profits Tax was to be earmarked for transportation and energy programs. It is our recommendation to consider funding of Interstate transfer programs from a portion of Windfall Profits Tax money. This would retain the General Fund flexibility enabling both highway and transit applications of the funds, would also enable adequate appropriation each year to meet the program demands of the states, and would fulfill the good faith commitment of the Federal Government within a reasonable period of time.

Without some form of special revenue to fund this program, it is expected Federal General Fund appropriations will never meet the fund requests and this program will collapse under its own ever-growing weight.

STATE HIGHWAY SYSTEM PRESERVATION STUDY

JANUARY 1981

OREGON DEPARTMENT OF TRANSPORTATION
Highway Division



INTRODUCTION

The State Highway Preservation Study, first published in 1977, reported conditions and preservation needs existing at that time. Since the State Highway System is dynamic--undergoing constant change, the study was updated in 1979 and again with this current study.

Within the context of this study, preservation is keeping the highways already in place in a condition that will provide a reasonable service to the public. Route changes, major widening and other needed improvements associated with expansion of the system are not a part of this study.

This study identifies the relative deterioration of pavements and bridges on the state highways. It also includes an assessment of the operational features that include signs, signals and turning refuges needed to provide guidance and protection to traffic.

Costs of correcting deficient pavements and bridges and providing operational improvements over the 10-year study period (1980-1989) are estimated in 1980 dollars. In developing these costs, the effects of future inflation were not considered.

SUMMARY

Results

TABLE 1

PRESERVATION STUDY RESULTS
10-YEAR COSTS ESTIMATED IN 1980 DOLLARS

	Status Quo		Improve Quality	
	Quantity	Cost (Millions)	Quantity	Cost (Millions)
Pavement (Miles)	3,524	$ 890	5,541	$1,375
Bridges (No.)	49	170	464	185
Operations[1]		204		237
Total Cost		$1,264		$1,797

"Status Quo" presumes holding the line at the present condition levels by addressing the most severe problems. This program accepts that system deficiencies will remain at present levels throughout the 10-year study period because elements now in Good or Fair condition will become deficient by the end of the period.

"Improve Quality" provides for an increase in the quality of the system.

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[1] "Operations" include a mix of needs ranging from traffic signals to passing lanes.

Conclusions

The study results clearly indicate the need for an active preservation program because 3,500 miles of pavement and 49 bridges remaining in poor condition will need improvement during the next 10 years to just keep pace, despite the intensive rehabilitation program begun in 1979.

This intensive rehabilitation program did provide a slight improvement (12 percent gain) in pavement conditions. The legislative actions which relieved the Highway Fund from supporting the State Police and Parks programs made this possible. However, during the past two years, highway improvement costs have increased significantly representing, in essence, an inflationary trend upward ranging from 20 to 30 percent.

These rising costs are a major roadblock in addressing preservation needs. Although effort is directed toward those highways that exhibit the greatest amount of travel or are important to Oregon's economy, delays in improving even the higher priority sections will become necessary considering the present availability of funds.

A more accelerated and balanced preservation program, i.e., a mix of contract and maintenance improvement, over and above the "Status Quo" program is needed to realize a gain in the overall system condition.

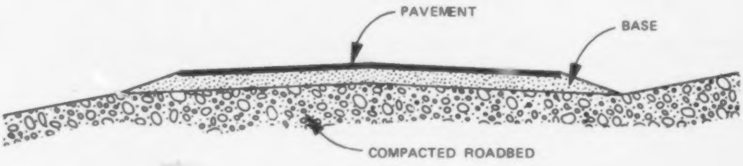
PAVEMENTS

Condition

Figure 1, a brief sketch of a typical paved road, lends some insight into the concern for pavement condition. As this illustrates, the paved road essentially consists of the roadbed, which is the native soil smoothed to grade, a rock base, and the visible pavement. While the pavement functions as a smooth and skid-resistant wearing surface, it also functions as a barrier to protect the rock base from the effects of weather. Thickness of the base rock and pavement are based upon estimated traffic loads at the time the road was built.

FIGURE 1

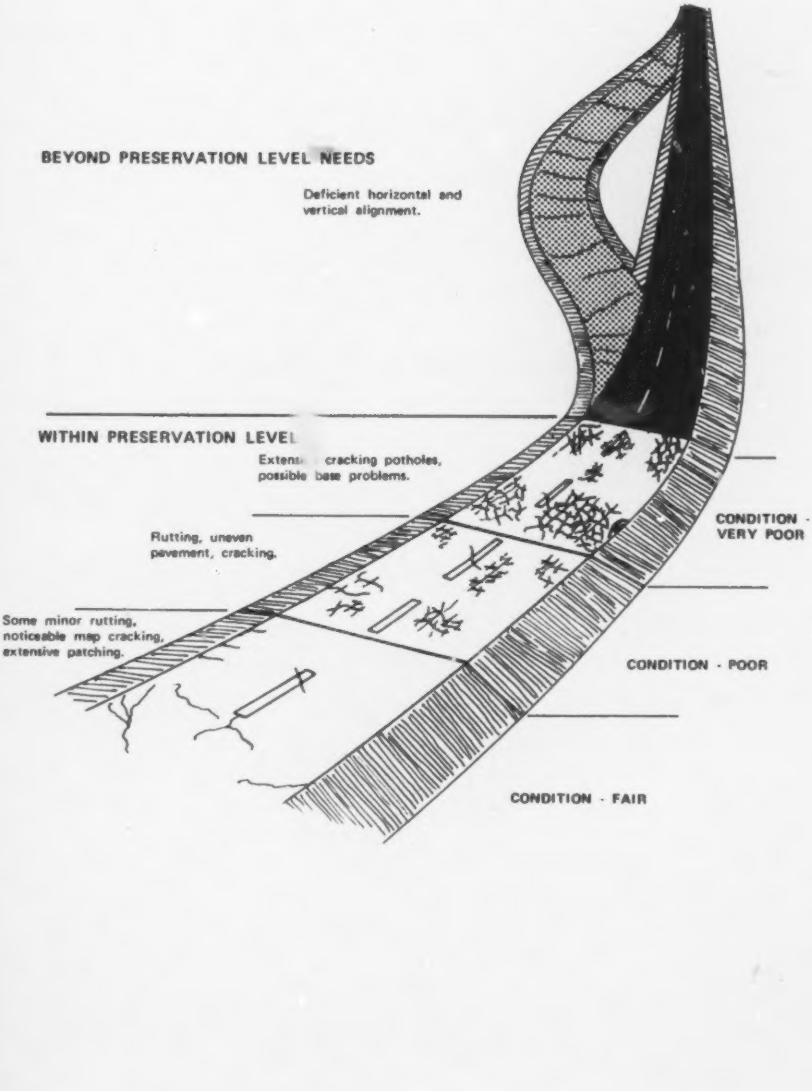
TYPICAL PAVED ROAD



Physical deterioration of pavements is caused by weather and/or traffic. The sequence of deterioration is illustrated in Figure 2. Observations and measurements over the entire 7,500-mile State Highway System were made during the spring and summer of 1980 under the supervision of the Highway Division's

FIGURE 2

SEQUENCE OF DETERIORATION


BEYOND PRESERVATION LEVEL NEEDS
Deficient horizontal and vertical alignment.
WITHIN PRESERVATION LEVEL
Extensive cracking potholes, possible base problems.
Rutting, uneven pavement, cracking.
Some minor rutting, noticeable map cracking, extensive patching.
CONDITION - VERY POOR
CONDITION - POOR
CONDITION - FAIR

16 District Engineers and reviewed for accuracy and consistency by the five Region Engineers.

Each section of pavement was assigned one of five Roadway Condition Ratings--ranging from Very Good to Extreme Deterioration. Plates 1 to 5 are typical photographic examples of each Roadway Condition Rating along with a description of each. These photographs were used as a guide by the field engineers.

Results of Survey

Table 2 lists the condition of the state highways by Functional Classification.[1] Map 1 (Appendix) graphically displays the current conditions of the State Highway System.

TABLE 2

CONDITION OF STATE HIGHWAY SYSTEM PAVEMENTS
1980

Roadway Condition Rating	Principal Arterials: Interstate Miles	Principal Arterials: Interstate %	Principal Arterials: Non-Interstate Miles	Principal Arterials: Non-Interstate %	Minor Arterials Miles	Minor Arterials %	Collector Miles	Collector %	Total Hwy. System Miles	Total Hwy. System %
Very Good	92	13	335	14	223	9	22	1	672	9
Good	364	52	430	17	358	14	168	10	1,320	18
Slight Deterioration	201	29	650	26	735	28	431	25	2,017	27
Moderate Deterioration	38	5	909	36	1,099	43	842	48	2,888	38
Extreme Deterioration	8	1	174	7	164	6	290	16	636	8
Totals	703	100	2,498	100	2,579	100	1,753	100	7,533	100

---

[1] See Appendix for definition of Functional Classes

PLATE 1

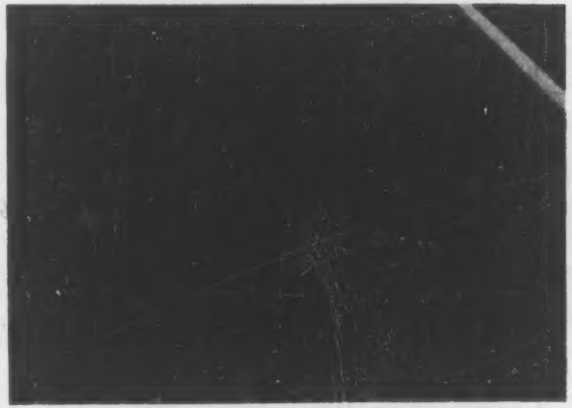
CONDITION · Very Good

Only new or nearly new roadways are likely to be sufficiently free of distress to qualify for this category. All roadways constructed or resurfaced during the last year or so should qualify, along with other exceptional sections.

PLATE 2

CONDITION - Good

Roadways in this category, although not quite as smooth as those in the Very Good category, give a first-class ride and exhibit few, if any, visible signs of distress. Flexible pavements may be beginning to show evidence of rutting and fine random cracks. Rigid pavements may be beginning to show evidence of slight surface deterioration, such as minor cracks and spalling.



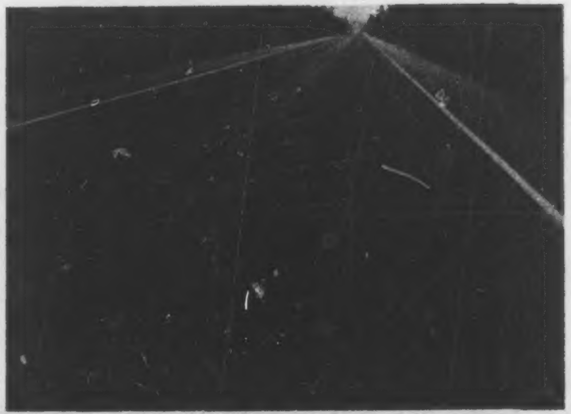


PLATE 3

CONDITION - Fair (Slight Deterioration)

The ride qualities of roadways in this category are noticeably inferior to those of new roadways. Surface defects of flexible pavements may include rutting, map cracking, and extensive patching. Rigid pavement in this group may have a few joint failures, faulting and cracking, and some pumping. (These pavements are in the stage of service life when the routine maintenance program is most effective.)

PLATE 4

CONDITION - Poor (Moderate Deterioration)

Roadways that have deteriorated to such an extent that they are in need of resurfacing. (Resurfacing treatments needed may range from seals and oil mats to structural overlays.)

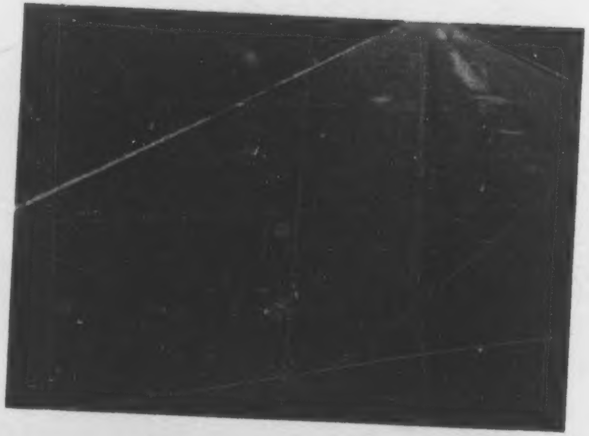
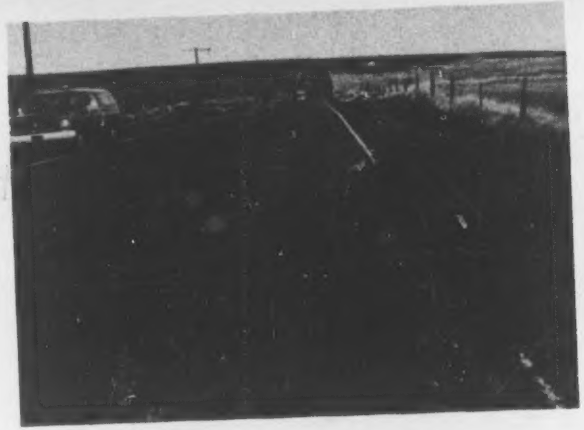


PLATE 5

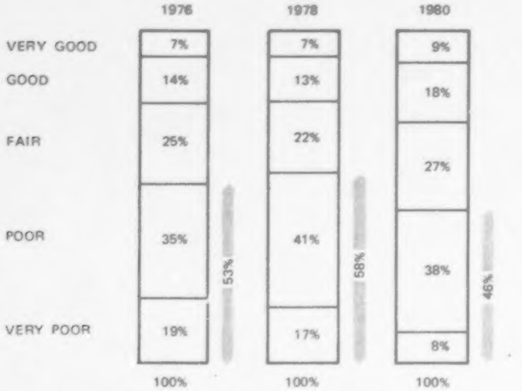
CONDITION - Very Poor (Extreme Deterioration)

Roadways in this category are in an extremely deteriorated condition and may even need complete reconstruction. (Treatments needed range from thick structural overlays to complete reconstruction.)



A comparison of current conditions with evaluations made in 1976 and 1978 indicates a break with a previous trend toward increasing deterioration. As a result of legislative actions that included relieving the highway fund from providing support for State Police and State Parks, an extensive repaving program (550 miles) was undertaken in the summer of 1979. Additionally, maintenance efforts that provided immediate condition improvements--seal, blade patch and extensive roadbed repairs in spot locations--were expanded.

Figure 3 depicts the results of the intensified rehabilitation program undertaken during the past two years. With this effort, there was a gain of 12% in pavement conditions. Nonetheless, over 3,500 miles of state highways remain in need of repaving (moderately or extremely deteriorated). Furthermore, the life extensions gained by the lower cost improvements (seals and blade patch) are relatively shorter than that provided by repaving.



CHANGES IN ROADWAY CONDITION MILES

PERCENT OF TOTAL STATE SYSTEM IN EACH CONDITION

FIGURE 3

Cost Estimates

Table 3 summarizes the estimated costs to repave deteriorated highways with a 10-year design overlay by level of deterioration and Functional Class. Depending upon the program level, the total cost to restore pavements over the next 10 years could vary.

A "Status Quo" Program to maintain the highway system at the present condition levels would require an expenditure of $0.9 billion. This would address the most severe problems, i.e., repaving the 3,500 miles of those

TABLE 3

ESTIMATED COSTS OF RESTORING PAVEMENTS -1980
(10-YEAR DESIGN)
($1,000,000)

	Principal Arterials									
Condition	Interstate		Non-Interstate		Arterials		Collector		Total	
Rating	Miles	10-YR Cost	Miles	10-YR Cost	Miles	10-YR Cost	Miles	10-YR Cost	Miles	10-YR Cost
Slight Deterioration	201	21	650	221	735	168	431	75	2,017	485
Moderate Deterioration	38	23	909	314	1,099	239	842	150	2,888	726
Extreme Deterioration	8	8	174	55	164	31	290	70	636	164
Totals	247	52	1,733	590	1,998	438	1,563	295	5,541	1,375

pavements rated either moderately or extremely deteriorated. The overall condition of the system would remain essentially unchanged because pavements presently in good and fair condition will decline to a moderately deteriorated or worse condition by the end of the 10-year period.

An "Improved Quality" Program that provides for an increase in the quality of the system would include repaving the 2,000 miles of slightly deteriorated pavements. The estimated cost of this program is approximately $1.4 billion.

These estimated costs are optimistic because repaving programs of this magnitude cannot be immediately implemented. During the inevitable delay, pavements would deteriorate further and the purchasing power of scarce highway dollars would be eroded by inflation.

BRIDGES

Condition

The simplified sketch in Figure 4 shows the three primary components of a bridge structure--the deck, the superstructure, and the substructure. Although the deck is considered a part of the superstructure, it is viewed separately since it accommodates the travel way.

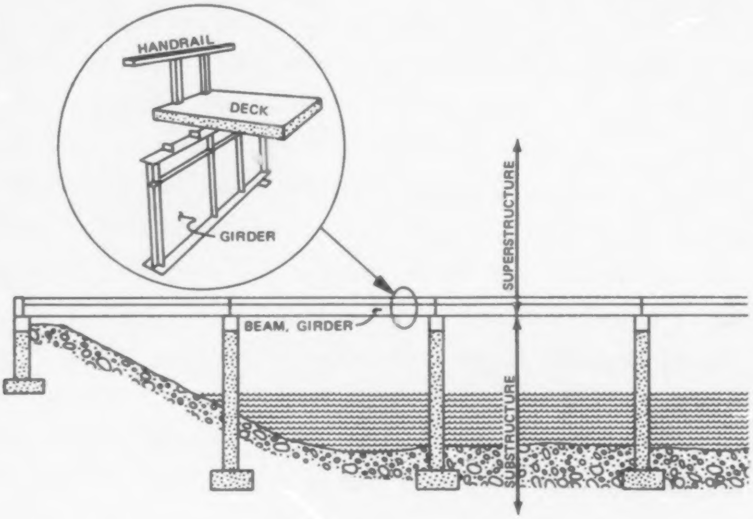

HANDRAIL
DECK
GIRDER
SUPERSTRUCTURE
BEAM, GIRDER
SUBSTRUCTURE

FIGURE 4
BRIDGE STRUCTURE COMPONENTS

Unlike pavements, deterioration of bridges is not always apparent. There are many circumstances that can contribute to the physical deterioration of bridges. Among these are aging of materials due to weather, decay of timbers from fungus and insect attack, and particularly in the coastal regions, contamination of materials due to salt penetration. Traffic also plays a role in that many of the older bridges were not designed to carry today's traffic loads.

Each Region has bridge inspectors who evaluate each bridge on the State Highway System on a regular basis as required by an on-going Federal Bridge Inventory Program. As part of that evaluation, the inspectors assess deck, superstructure, and substructure conditions1/ and estimate the costs for repair and replacement on the Bridge Inspection Report. This study used these reports as they identified the severity of those problems associated with preservation as well as the estimated costs for needed repair or replacement. Since the intention of this study update is to address preservation needs, bridges with problems other than preservation, such as geometric deficiencies (width and alignment) are not included.

During the summer of 1980, these bridge inspection reports and estimated costs were reviewed for accuracy by the Region Engineers. To simplify the reporting of bridge conditions for this study, the numerical system1/ was reduced to a good-fair-poor concept and an overall preservation rating was assigned to each bridge. Because of temporary repairs, there are no bridges on the State Highway System currently considered to be critical.

Table 4 shows the manner in which the lowest rated component determined the Bridge Preservation Condition Rating and the level of preservation needs.

1/ Structure conditions are reported using a numerical system ranging from 0 (critical) to 9 (very good).

TABLE 4

RELATIONSHIP OF BRIDGE COMPONENT RATING TO
BRIDGE PRESERVATION CONDITION RATING

	Lowest Rated Component		Component Condition	Bridge Preservation Condition	Level of Preservation Need
	Superstructure		Poor	POOR	Replacement
OR	Substructure		Poor		
	Superstructure		Fair	FAIR	Repair
OR	Substructure		Fair		
OR	Deck		Poor		
		OR	Fair		
	Superstructure		Good	GOOD	NONE
OR	Substructure		Good		
OR	Deck		Good		

Results of Survey

Table 5 lists the number of bridges on the State Highway System in "good", "fair", or "poor" condition by Functional Classification. The results of this update are not comparable with previous reports because problems such as geometric deficiencies were systematically excluded. Map 2 (Appendix) shows distribution of bridges (fair or poor) throughout the state in need of repair or replacement. Of the total number of bridges on the system, nearly one fifth need remedial work involving either repair or replacement.

It is presumed that those bridges rated as good will not need work in the near future.

TABLE 5

CONDITION OF STATE HIGHWAY SYSTEM BRIDGES
1980

Bridge Preservation Condition Rating	Principal Arterials				Minor Arterials		Collector		Total Highway System	
	Interstate		Non-Interstate							
	Number	%	Number	%	Number	%	Number	%	Number	%
Good	645	87	743	81	473	76	152	78	2,013	81
Fair	98	13	147	16	133	21	37	19	415	17
Poor	1	*	26	3	17	3	5	3	49	2
Totals	744	100	916	100	623	100	194	100	2,477	100

---

*Less than 1%

Cost Estimates

Table 6 summarizes the costs using 1980 prices for repairing and replacing those bridges rated fair to poor. The costs along with the number of affected bridges are shown by Functional Classification.

Two program levels are given as follows:

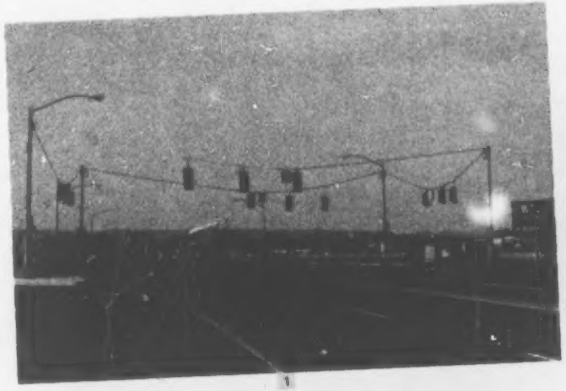
A "Status Quo" Program to address the most severe problems would involve the replacement of the 49 bridges rated as poor for an estimated cost of $170 million.

An "Improved Quality" Program would include, in addition to the above program, the repair of the 415 bridges that are rated in fair condition. Therefore the total estimated cost to repair or replace all bridges identified as fair or poor is $185 million.

TABLE 6

ESTIMATED COSTS TO REPAIR AND REPLACE BRIDGES - 1980 DOLLARS ($1,000,000)

Bridge Preservation Condition Rating	Principal Arterials									
	Interstate		Non-Interstate		Minor Arterials		Collectors		Total Highway System	
	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost
Fair (Repair)	98	7	147	5	133	2	37	1	415	15
Poor (Replace)	1	3	26	56	17	108	5	3	49	170
Totals	99	10	173	61	150	110	42	4	464	185



1

2

3

PLATE 6

TYPICAL TRAFFIC OPERATIONS

1. SIGNALIZED INTERSECTION
2. RURAL CHANNELIZATION
3. PASSING LANE

OPERATIONS

Although most state highways operate at a satisfactory level of service, some sections on urban routes and two-lane highways serving employment centers experience traffic demands that exceed the capacity of the facility. Many improvements needed to alleviate flow restrictions caused by capacity pressures on existing highways may require major reconstruction involving significant capital expenditures. Expansion of highway facilities as a result of this capital-intensive effort is considered outside the scope of this study. Protection and direction of traffic can be accomplished through a variety of relatively low-cost "spot" or "localized" improvements. These range from traffic signals and railroad protection devices to passing lanes and left turn refuges.

The Highway Division's Traffic Section maintains a list of operational improvements that provide additional safety and guidance to traffic in localized areas (typical examples are depicted on Plate 6). This project list, with adjustments for traffic growth, was used to determine the number of cost of operational projects needed during the next 10 years.

Table 7 lists the operational improvements needed by project category. The information is presented under two separate program levels. These preservation programs will provide low-cost safety improvements to localized areas. However, the problems on the system that require major reconstruction will remain unsolved. Futhermore, some sections now operating near capacity will, with increased traffic develop flow restrictions and other capacity problems by the end of the study period.

The "Status Quo" Program presumes maintaining existing highways at the present service level where low-cost "spot" improvements can be effectively utilized. Estimated cost over 10 years is $204 million.

The "Improve Quality" Program would include projects in addition to those in the "Status Quo" Program to provide for an increase in the operational quality of the system. Estimated costs for this program amount to $237 million.

TABLE 7

ESTIMATED COSTS TO PRESERVE TRAFFIC OPERATIONS
1980 DOLLARS
($1,000,000)

	Status Quo		Improve Quality	
Project Category	Ann.No. Project	10-Yr. Cost	Ann.No. Project	10-Yr. Cost
Signals	77	$ 44	90	$ 54
Rockfall	6	10	7	11
Passing Lanes	20	72	22	79
Slow Vehicle Turnouts	35	29	39	32
Turning Refuges[1]	40	30	45	36
Other[2]	17	19	21	25
		$204		$237

[1] Left turn refuges, Channelization
[2] Guardrail, lighting, railroad crossings, signing

The number of projects in each category are reported on an annual basis. Since costs are based upon past trends, projects for any one year within a given category may vary.

APPENDIX

DEFINITION OF FUNCTIONAL CLASSES

Principal Arterial: Highways of national, interstate and statewide significance. This classification includes the Federal Interstate System as well as other important routes.

Minor Arterial: Highways of statewide and interregional significance. This classification includes the largest portion of the State Highway System.

Collectors: Highways of intraregional and intracounty significance that deliver traffic to arterials as well as provide access to adjacent properties.

RELATIONSHIP OF FUNCTIONAL CLASSIFICATION TO THE FEDERAL AID SYSTEMS

Functional Classification	Eligible for Federal Aid System	
	Rural	Urban
Principal Arterial	Primary	Primary or Urban
Minor Arterial	Primary	Urban
Collector	Secondary[1]	Urban[1]

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[1] Minor collectors and local streets in rural areas and local streets in urban areas are eligible for off-system federal aid.

PSCOG Grand Central on the Park • 216 First Avenue South • Seattle, WA 98104 • 206/464-7090
Puget Sound Council of Governments

STATEMENT BEFORE THE
TRANSPORTATION SUBCOMMITTEE
OF THE
SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE
ON
FEDERAL-AID HIGHWAY LEGISLATION

BY

COUNCILMAN JEANETTE WILLIAMS
PUGET SOUND COUNCIL OF GOVERNMENTS
SEATTLE, WASHINGTON

AUGUST 17, 1981
FEDERAL BUILDING, SEATTLE

Mr. Chairman, I am Jeanette Williams, a member of the City Council of the City of Seattle, and Chair of the Standing Committee on Transportation of the Puget Sound Council of Governments. I am here today to testify on behalf of the Council of Governments and its member jurisdictions.

The Puget Sound Council of Governments serves as the Metropolitan Planning Organization for the Central Puget Sound Region of Washington to carry out the coordinated, comprehensive and continuing transportation planning process required under Section 134 of the Federal-Aid Highway Act and Section 8 of the Urban Mass Transportation Act. PSCOG's membership includes four counties, 44 cities and towns and four Indian tribes. These jurisdictions represent over two million people, 54 percent of the population of the State of Washington. PSCOG exists by means of interlocal agreements among the member jurisdictions. Interagency agreements are also maintained with the Washington State Department of Transportation and with the region's transit operators. These agencies participate actively in our MPO process.

I would like to limit my testimony today to three aspects of the proposed highway legislation. You will be hearing from many other witnesses today and have already received detailed comments on all aspects of the proposals from local government public interest groups. The major portion of my testimony deals with the completion of the Interstate System and I will touch briefly on the MPO process and the Federal-Aid Urban Program.

Completion of the Interstate System

Both Senate proposals would redefine "completion" of the Interstate System to make it an achievable goal. The redefinition limits Interstate completion to a maximum of six lanes in areas over 400,000 in population and precludes eligibility for certain design features which exceed that required for a minimum acceptable service level. This proposal would have a severe impact on completion of the I-90 project in our region. As Washington State Secretary of Transportation Duane Berentson has testified, the 8-mile I-90 project from I-5 to I-405 is "ready to go." All necesary right of way has been purchased and construction is underway. The State has developed a plan to complete the segment in stages as federal money becomes available. The project received EIS approval as an 8-lane facility. Approval was specifically based on the inclusion of several key design features to improve transit access and flow and to ameliorate environmental and social impacts. The approved design resulted from intensive inter-local negotiations and has withstood lengthy challenges in court. The proposed redefinition would make many of the critical features ineligible for Interstate completion funding.

We propose that the legislation be amended to give the U. S. Secretary of Transportation the discretion to use Interstate completion funds to complete as designed those projects with an approved EIS and which are already underway.

This would include eligibility for Interstate completion funds for all approved design features of such projects.

A second concern with regard to Interstate completion relates to the ability of the State to proceed with the I-90 project under the current apportionment scheme. Washington and other states have high cost projects that require heavy initial obligations to effectively commence the projects. Under the current apportionment scheme and federal obligation controls, sufficient front-end funds are not available and progress is slowed. We support Washington State's proposal that for Interstate completion projects, distribution of funds and obligation authority be made through an allocation process rather than the current apportionment process. Each state would prepare a time phased schedule of obligations for approval by FHWA. Emphasis would be placed on facilitating work on projects ready to proceed. Completion of I-90 could then become an achievable goal.

Section 134

As the region's Metropolitan Planning Organization (MPO), the Puget Sound Council of Governments provides a forum for local and state officials to cooperate in selecting and planning transportation projects. This cooperation has benefitted project sponsors as well as the communities affected by the projects. Earlier this year the Administration considered striking Section 134 of the Highway Act which would have seriously weakened this cooperative process resulting in litigation and other delaying measures we have been largely able to avoid. Local elected officials from throughout the country contacted Secretary of Transportation Drew Lewis and Federal Highway Administrator Ray Barnhart to explain the value of the MPO process and urge continuation of Section 134. I am pleased that both the Administration's and your bill retain Section 134 so that we can continue to work cooperatively within our urban areas to solve our transportation problems.

Federal-Aid Urban System

Senator Symms, you and the cosponsors of S.1064 are to be commended for recognizing the vital role the Federal-Aid Urban System program has played in enabling local officials to meet critical transportation problems in our urban areas. While the federal aid is only a portion of our total local transportation budgets, it is a critical supplement to severely restrained local and state resources. Under the Administration's proposal to eliminate the FAUS program, our region would lose $8 million annually.

Your proposal would continue the program and make some improvements in its implementation. We are concerned, however, about the negative impact on local governments of a lower authorization level and a higher required local share. I strongly urge you to reconsider these two changes.

Over the past several years, local elected officials have been working for a block grant approach with urban highway funds provided directly to designated recipients in the larger metropolitan areas, such as those over 1 million population. This would allow for the most efficient use of the funds to meet critical local needs and priorities. The MPO, as a body of local elected officials, could serve as the designated recipient to coordinate development of the regional programs and expenditure of the funds. I urge you to include this further step forward in your proposed legislation.

Senator Symms and members of the Transportation Subcommittee, I appreciate this opportunity to present the views of the Puget Sound Council of Governments on the proposed highway legislation. It is a pleasure to have you come to Seattle to hear our needs and concerns. I will be happy to answer any questions you might have. Mart Kask, the Executive Director of the Puget Sound Council of Governments, is with me to answer questions as well.

ORANGE COUNTY
TRANSPORTATION COMMISSION
1020 North Broadway, Suite 300 Santa Ana, California 92701
(714) 834-7581

Commissioners
Ralph B. Clark
Daniel E. Griset
Thomas F. Riley
James Roosevelt
Bill Vardoulis
Heinz Heckeroth

TESTIMONY
OF
NANCY COSS-FITZWATER
REPRESENTING THE ORANGE COUNTY TRANSPORTATION COMMISSION
BEFORE THE
SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE
SUBCOMMITTEE ON TRANSPORTATION
AUGUST 17, 1981
SEATTLE, WASHINGTON

MR. CHAIRMAN, MEMBERS OF THE SUBCOMMITTEE, I AM NANCY COSS-FITZWATER, A STAFF MEMBER OF THE ORANGE COUNTY TRANSPORTATION COMMISSION. OUR COMMISSION IS RESPONSIBLE FOR PROGRAMMING FEDERAL AND STATE FUNDS FOR TRANSPORTATION PROJECTS IN ORANGE COUNTY, CALIFORNIA. I AM VERY PLEASED TO TAKE PART IN YOUR WEST COAST HEARING ON THE FEDERAL HIGHWAY PROGRAM. MY REMARKS TODAY WILL FOCUS ON THE FEDERAL AID INTERSTATE (FAI) AND FEDERAL AID URBAN (FAU) PROGRAMS WITHIN THE CONTEXT OF PENDING LEGISLATIVE PROPOSALS.

AS YOU MAY KNOW, ORANGE COUNTY IS LOCATED ON THE SOUTHERN CALIFORNIA COAST BETWEEN LOS ANGELES AND SAN DIEGO COUNTIES. PRIOR TO THE POST-WORLD WAR II HOUSING BOOM, OUR COUNTY WAS LARGELY AGRICULTURAL. IN 1940 THE COUNTY POPULATION WAS 131,000; IN 1950 IT WAS 216,000 AND BY 1980 HAD GROWN TO 1.9 MILLION RESIDENTS - AN ALMOST FIFTEEN-FOLD INCREASE IN JUST 40 YEARS. RECENTLY RELEASED 1981 POPULATION FIGURES PUT ORANGE COUNTY OVER THE 2 MILLION MARK.

WE LIVE IN THE SIXTH MOST POPULOUS COUNTY IN THE COUNTRY, AND HAVE AN URBANIZED AREA GROSS POPULATION DENSITY SIMILAR TO CHICAGO, PHILADELPHIA, BALTIMORE, WASHINGTON, D. C., AND NEW ORLEANS.

ORANGE COUNTY HAS EXPERIENCED RAPID GROWTH, A TREND WHICH IS EXPECTED TO CONTINUE, ALBEIT AT A MORE MODERATE RATE. BY 1995, ORANGE COUNTY WILL HAVE 50% MORE RESIDENTS. MORE SIGNIFICANTLY IN TERMS OF THE TRANSPORTATION INFRASTRUCTURE, WE HAVE FORECAST A DOUBLING IN COUNTY BASED JOBS AND A 108% INCREASE IN DAILY PERSON TRIPS OVER THE SAME PERIOD. MORE THAN HALF OF THESE TRIPS WILL BE MADE IN THE SANTA ANA FREEWAY (I-5) CORRIDOR.

FRANKLY, MR. CHAIRMAN, I FIND THESE FACTS STAGGERING, PARTICULARLY WHEN I RECALL THAT ORANGE COUNTY IS NOT ISOLATED, BUT BRIDGES LOS ANGELES AND SAN DIEGO COUNTIES. THESE THREE COUNTIES TOGETHER REPRESENT MORE THAN 5% OF THE U. S. POPULATION, AND FULLY 6% OF OUR GROSS NATIONAL PRODUCT. IT IS CLEAR THAT THE ECONOMIC VITALITY OF THESE THREE COUNTIES IS OF NATIONAL SIGNIFICANCE.

WHILE LOCALLY WE FIND OURSELVES PROJECTING GROWTH AND CONTINUED DEVELOPMENT, WE ALSO FORESEE A RAPID DECLINE IN OUR ECONOMY UNLESS WE POSITIVELY ADDRESS THE CENTRAL ISSUE: TRANSPORTATION.

OUR COMMISSION BELIEVES THAT THE MOST COST-EFFECTIVE WAY TO PRESERVE PERSONAL MOBILITY IN OUR COUNTY IS TO INVEST IN A COMBINATION OF MULTI-MODAL IMPROVEMENTS, INCLUDING IMPROVEMENTS TO THE ROAD NETWORK, TRANSIT SYSTEM AND TRAIN SERVICE. I AM HERE TODAY TO SHARE OUR THOUGHTS WITH YOU ON THOSE IMPROVEMENTS TO THE ROAD NETWORK THAT ARE OF NATIONAL SIGNIFICANCE, THOSE THAT SPECIFICALLY RELATE TO THE INTERSTATE, PRIMARY AND URBAN PROGRAMS.

FEDERAL AID INTERSTATE (FAI) PROGRAM

INTERSTATE 5, LOCALLY KNOWN AS THE SANTA ANA FREEWAY, IS OF CRITICAL IMPORTANCE TO OUR COUNTY'S ABILITY TO KEEP PEOPLE AND GOODS MOVING TO AND FROM JOBS AND PRODUCTION FACILITIES. THIS FACILITY IS THE SINGLE ARTERY LINKING LOS ANGELES, ORANGE, AND SAN DIEGO COUNTIES. THE ORANGE COUNTY PORTION WAS BUILT IN THE MIDDLE AND LATE 1950'S TO THE RURAL AND SUBURBAN DESIGN STANDARDS IN VOGUE AT THE TIME. FEW IMPROVEMENTS HAVE BEEN MADE SINCE THE FREEWAY WAS COMPLETED. WE ARE NOW LIVING WITH AN OUTDATED, SUBSTANDARD FACILITY WHICH CANNOT ACCOMMODATE TODAY'S TRAFFIC, LET ALONE THAT PROJECTED FOR THE FUTURE.

THE SANTA ANA FREEWAY IS A SIX-LANE FACILITY THROUGH MOST OF ORANGE COUNTY, WITH WIDENING TO EIGHT LANES UNDERWAY ON A SEGMENT THROUGH SAN CLEMENTE IN THE EXTREME SOUTH COUNTY. CONTRASTING SHARPLY, I-5 HAS BEEN EXPANDED TO EIGHT LANES IN OUR NEIGHBORING COUNTIES TO THE NORTH AND SOUTH, FORCING ALL TRAFFIC THROUGH A SIX-LANE ORANGE COUNTY BOTTLENECK.

I-5 THROUGH ORANGE COUNTY IS NOW BEYOND ITS DESIGN LIFE OF 20 YEARS, WITH SOME SEGMENTS REACHING 25 YEARS OF AGE. THE FACILITY IS DETERIORATING RAPIDLY AND IS IN NEED OF MAJOR RECONSTRUCTION. DETERIORATION IS NOTICEABLE; PAVEMENT HAS CRACKED, SEPARATED AND BUCKLED IN SOME PLACES, SUNK IN OTHERS. WE ARE BEYOND THE POINT

WHERE ROUTINE MAINTENANCE AND REHABILITATION EFFORTS WILL SUFFICE. PAVEMENT ENGINEERS TELL US THAT MUCH OF THE SANTA ANA FREEWAY SHOULD BE RECONSTRUCTED. DRIVING OVER PARTS OF THE FREEWAY CAN BE CHARACTERIZED AS DRIVING OVER A WASHBOARD. THE EFFECTS OF DRIVING OVER SUCH A DETERIORATED FACILITY ON PERSONAL AUTOMOBILE MAINTENANCE COSTS AND FUEL CONSUMPTION IS SUBSTANTIAL.

HEAVY COMMERCIAL TRUCK USAGE, PRESENTLY COMPRISING AS MUCH AS 13% OF THE TOTAL TRAFFIC ON SOME SEGMENTS OF I-5 IN ORANGE COUNTY, HAS ALSO CONTRIBUTED TO THE FACILITY'S DETERIORATED CONDITION.

THE FUTURE WILL UNDOUBTEDLY PLACE ADDITIONAL BURDENS UPON THIS ALREADY OUTDATED FACILITY. BY 1985, LESS THAN FOUR YEARS FROM TODAY, TRAFFIC VOLUMES WILL APPROACH 200,000 PLUS VEHICLES PER DAY OVER 75% OF THIS SIX-LANE FACILITY. THIS TRANSLATES INTO LEVELS OF SERVICE E AND F - STOP-AND-GO DRIVING CONDITIONS - FOR MORE THAN 12 HOURS PER DAY. THE TRADITIONAL PEAK-HOURS WILL BE SPREAD OVER 6 TO 7 HOURS IN BOTH THE MORNING AND AFTERNOON, WITH A BRIEF HIATUS MIDDAY. THE NUMBER OF COMMERCIAL TRUCKS USING THE FACILITY WILL INCREASE DRAMATICALLY.

THE ORANGE COUNTY TRANSPORTATION COMMISSION BELIEVES THAT THE RECONSTRUCTION OF INTERSTATE 5 IN ORANGE COUNTY IS OF NATIONAL SIGNIFICANCE AND SHOULD RECEIVE A HIGH PRIORITY. HOWEVER, IN OUR JUDGEMENT THE INVESTMENT NEEDED TO RECONSTRUCT I-5 WOULD BE FRUIT-

LESS WITHOUT ATTENDANT PLANS TO EXPAND THE FACILITY TO AT LEAST EIGHT LANES AND MAKE OTHER ANCILLARY SYSTEM IMPROVEMENTS. WE BELIEVE THE FEDERAL RESPONSIBILITY SHOULD BE TO PRESERVE AN INTERSTATE SYSTEM THAT WORKS. RECONSTRUCTION OF THE EXISTING SIX-LANE FACILITY ALONE WILL SIMPLY SERVE TO IMPROVE A MULTI-MILLION DOLLAR PARKING LOT.

ACCORDINGLY, OUR COMMISSION SUPPORTS A SHIFT IN THE FEDERAL HIGHWAY PROGRAM EMPHASIS TO ACCELERATE COMPLETION OF A REDEFINED INTERSTATE SYSTEM AND EXPAND THE INTERSTATE 3R PROGRAM TO A 4R PROGRAM INCLUDING MUCH NEEDED RECONSTRUCTION. WITH THE INCREASED EMPHASIS ON INTERSTATE 4R, WE SUPPORT A HIGHER FEDERAL PARTICIPATION RATE OF 90% FOR THIS PROGRAM. WE BELIEVE THE NATIONAL PRIORITY OVER THE LONG TERM SHOULD BE TO PROTECT AND PRESERVE THE ENORMOUS FEDERAL INVESTMENT THAT HAS BEEN MADE IN OUR NETWORK OF INTERSTATE HIGHWAYS.

FURTHERMORE, WE BELIEVE EXPANSION OF INTERSTATE FACILITIES TO EIGHT LANES IN MAJOR URBAN AREAS WHERE IT CAN BE JUSTIFIED SHOULD BE ELIGIBLE FOR INTERSTATE 4R FUNDING. SPECIAL CONSIDERATION SHOULD BE GIVEN TO FUNDING ADDITIONAL LANES ON INTERSTATE SEGMENTS WHICH CONNECT WITH SEGMENTS HAVING MORE LANES SO THAT BOTTLENECKS ARE MINIMIZED. IN ADDITION, IMPROVEMENTS TO SUBSTANDARD FREEWAY-TO-FREEWAY INTERCHANGES ON THE INTERSTATE SYSTEM AND IMPROVEMENTS TO OVERCROSSINGS AND INTERCHANGES NEEDED TO MAKE THE INTERSTATE ROUTE

FUNCTION ADEQUATELY WITH THE STATE AND LOCAL ROAD SYSTEM SHOULD BE INCLUDED WITHIN THE DEFINITION OF AN INTERSTATE 4R PROGRAM.

FEDERAL AID URBAN (FAU) PROGRAM

MR. CHAIRMAN, MEMBERS OF THE SUBCOMMITTEE, AS YOU WELL KNOW, OUR FEDERAL INTERSTATE AND PRIMARY SYSTEMS DO NOT STAND ALONE, BUT ARE INTRICATELY INTERWOVEN WITH A NETWORK OF STATE HIGHWAYS AND LOCAL ARTERIAL ROADS. IN URBAN AREAS SUCH AS ORANGE COUNTY, THE FEDERAL AID URBAN PROGRAM HAS BEEN A MAJOR FUNDING COMPONENT FOR THE TRANSPORTATION INFRASTRUCTURE. BECAUSE THE FAU PROGRAM IS EXTREMELY FLEXIBLE IN ITS APPLICATION, IT HAS BEEN HIGHLY RESPONSIVE TO LOCAL NEEDS. IN ORANGE COUNTY, THE FEDERAL AID URBAN PROGRAM IS ABOUT A $7 MILLION PER YEAR PROGRAM, FUNDING A MYRAID OF PROJECTS INCLUDING SIGNAL INTERCONNECTS, WIDENINGS, PARK-AND-RIDE LOTS AND TRANSPORTATION CENTERS.

ALTHOUGH IT IS DIFFICULT TO CHARACTERIZE ANY SINGLE FAU PROJECT AS BEING IN THE NATIONAL INTEREST AND THEREFORE DESERVING OF FEDERAL FUNDING, WE BELIEVE THAT, ON THE WHOLE, THERE IS A CONTINUING FEDERAL ROLE AND RESPONSIBILITY IN PRESERVING AND AUGMENTING THE URBAN TRANSPORTATION SYSTEM. LET ME EXPLAIN. THE RELATIONSHIP BETWEEN I-5 AND THE FAU SYSTEM IN ORANGE COUNTY CANNOT BE OVERSTATED. BECAUSE I-5 IS SEVERELY CONGESTED, THE ADJACENT SURFACE STREETS

(MANY OF WHICH ARE ON THE FAU SYSTEM) ARE OVERTAXED WITH TRAFFIC THAT WOULD OTHERWISE BE USING THE FREEWAY. IT IS DIFFICULT TO DISTINGUISH BETWEEN FEDERAL AND NON-FEDERAL RESPONSIBILITIES IN THESE CIRCUMSTANCES. WE URGE YOU TO MAINTAIN A FEDERAL URBAN TRANSPORTATION PROGRAM.

WE RECOGNIZE, HOWEVER, THAT A FEDERAL URBAN TRANSPORTATION PROGRAM MAY NOT BE OF THE SAME IMPORTANCE AS THE INTERSTATE OR PRIMARY PROGRAMS. CONSEQUENTLY, THE ORANGE COUNTY TRANSPORTATION COMMISSION SUPPORTS THE PROPOSAL EMBODIED IN YOUR BILL, MR. CHAIRMAN, TO REDUCE THE FEDERAL PARTICIPATION RATE FROM 75% TO 50%. WE BELIEVE A LOWER FEDERAL PARTICIPATION RATE WILL RESULT IN MORE EFFECTIVE USE OF THESE FUNDS.

ANY RESHAPING OF A FEDERAL URBAN TRANSPORTATION PROGRAM SHOULD INCLUDE A LONG, HARD LOOK AT THE MAZE OF RED-TAPE ASSOCIATED WITH THE EXISTING FEDERAL AID URBAN PROGRAM. FROM OUR VANTAGE, THE EXISTING REQUIREMENTS ARE UNNECCESSARILY BURDENSOME AND MAINLY SERVE TO STRETCH PROJECT DEVELOPMENT AND CONSTRUCTION ACTIVITIES OVER YEARS INSTEAD OF MONTHS. STREAMLINING OF THE EXISTING ONEROUS PROCESS IS SORELY NEEDED, AND AN AREA IN WHICH CONGRESSIONAL LEADERSHIP WOULD BE HIGHLY PRODUCTIVE.

FEDERAL AID PRIMARY (FAP) PROGRAM

I WOULD LIKE TO COMMENT BRIEFLY ON THE FEDERAL AID PRIMARY PROGRAM. OUR COMMISSION VIEWS THE FEDERAL SYSTEM OF PRIMARY HIGHWAYS AS CLEARLY A FEDERAL RESPONSIBILITY, SECOND ONLY TO THE INTERSTATE SYSTEM. WE THINK THE PRIMARY PROGRAM WORKS WELL AND SHOULD BE CONTINUED WITHOUT MAJOR CHANGE.

MR. CHAIRMAN, MEMBERS OF THE SUBCOMMITTEE, I HOPE THAT YOU WILL GIVE THESE THOUGHTS I HAVE OUTLINED HERE TODAY CAREFUL CONSIDERATION AS YOU FORMULATE FAR-REACHING FEDERAL HIGHWAY LEGISLATION. OUR COMMISSION APPPRECIATES THE OPPORTUNITY TO SPEAK BEFORE YOU TODAY.

I WOULD BE HAPPY TO RESPOND TO ANY QUESTIONS YOU MAY HAVE.

LACTC

LOS ANGELES COUNTY TRANSPORTATION COMMISSION • 311 SOUTH SPRING STREET—SUITE 1206, LOS ANGELES, CALIFORNIA 90013 • (213) 626-0370

TESTIMONY OF WENDELL COX
COMMISSIONER, LOS ANGELES COUNTY
TRANSPORTATION COMMISSION
BEFORE THE TRANSPORTATION SUBCOMMITTEE
OF THE SENATE COMMITTEE ON ENVIRONMENT
AND PUBLIC WORKS
AUGUST 17, 1981

GOOD MORNING, MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE. MY NAME IS WENDELL COX. I AM A COMMISSIONER WITH THE LOS ANGELES COUNTY TRANSPORTATION COMMISSION. I APPRECIATE THIS OPPORTUNITY TO APPEAR BEFORE YOUR COMMITTEE TODAY TO REVIEW THE CURRENT HIGHWAY SITUATION IN LOS ANGELES COUNTY AND TO ADDRESS PROVISIONS OF THE INTERSTATE COMPLETION PROGRAM AND FEDERAL-AID URBAN SYSTEM CONTAINED IN S. 841 AND S. 1024 PRESENTLY BEFORE YOUR COMMITTEE.

THE LOS ANGELES COUNTY TRANSPORTATION COMMISSION WAS CREATED BY THE STATE LEGISLATURE IN 1976. IT IS MADE UP OF THE MAJOR LOCAL ELECTED OFFICIALS IN LOS ANGELES COUNTY. THE COUNTY ITSELF HAS A POPULATION OF

COMMISSIONERS:

RUSS RUBLEY
CHAIRMAN
Councilman
City of Long Beach

EDMUND D. EDELMAN
VICE CHAIRMAN
Los Angeles County
Supervisor

Los Angeles County
Board of Supervisors

PETER F. SCHABARUM
KENNETH HAHN
DEANE DANA
MICHAEL D. ANTONOVICH

TOM BRADLEY
Mayor
City of Los Angeles

PAT RUSSELL
Councilwoman
Los Angeles City Council

EDMOND J. RUSS
Mayor
City of Gardena

JOHN ZIMMERMAN
Councilman
City of Norwalk

WENDELL COX
Citizen Representative
City of Los Angeles

HEINZ HECKEROTH
Ex-Officio Member
State of California

RICK RICHMOND
EXECUTIVE DIRECTOR

7.4 MILLION PEOPLE, OR ABOUT ONE-THIRD THE TOTAL POPULATION OF THE STATE OF CALIFORNIA. THE COMMISSION WAS CREATED IN AN EFFORT TO BRING TOGETHER THE MANY LOCAL GOVERNMENTAL INTERESTS THAT EXIST IN A COUNTY OF THAT SIZE, INCLUDING THE COUNTY GOVERNMENT, THE CITY OF LOS ANGELES, AND THE OTHER 80 CITIES IN THE COUNTY.

THE COMMISSION IS RESPONSIBLE FOR ALLOCATING ALL AVAILABLE STATE AND FEDERAL HIGHWAY AND PUBLIC TRANSIT FUNDING, AND IN SO DOING, TO REFLECT THE CONSENSUS OF THE MAJOR LOCAL GOVERNMENT INTERESTS ON THE LOCAL PRIORITIES FOR TRANSPORTATION. THE COMMISSION IS ALSO RESPONSIBLE FOR DEVELOPING POLICIES TO ENCOURAGE THE EFFECTIVE USE OF AVAILABLE TRANSPORTATION FUNDS FOR DECISIONS ON THE SCOPE AND LOCATION OF MAJOR RAPID TRANSIT AND HIGHWAY FACILITIES, AND FOR THE DEVELOPMENT OF LOCAL TRANSPORTATION FINANCING.

LOS ANGELES HAS BEEN POINTED TO, WITH GOOD REASON, AS BEING IN THE VANGUARD OF DEVELOPING A HIGHWAY-ORIENTED URBAN TRANSPORTATION SYSTEM. WE HAVE IN LOS ANGELES COUNTY ALMOST 500 MILES OF FREEWAYS BUILT WITH A COMBINATION OF FEDERAL AND STATE FUNDS. HOWEVER, WE NOW FIND OURSELVES IN THE IRONIC SITUATION OF NEEDING TO BUILD ONLY ABOUT 20-30 MORE MILES OVER THE NEXT TEN YEARS, AND HAVING GREAT DIFFICULTY IN OBTAINING THE NECESSARY REVENUES TO DO SO. THIS IS NOT TO COMPLETE A GRANDIOSE MASTER PLAN, BUT SIMPLY TO ENSURE THAT THE EXISTING SYSTEM WILL FUNCTION EFFICIENTLY. THESE 20-30 MILES CONSIST OF

TWO OR THREE SMALL GAPS IN OUR FREEWAY SYSTEM AND ONE OF THE REMAINING INCOMPLETED PORTIONS OF THE FEDERAL INTERSTATE SYSTEM--THE CENTURY FREEWAY. IN ADDITION, WE ARE REACHING A CRITICAL POINT ON THE MAINTENANCE AND RECONSTRUCTION OF OUR EXISTING SYSTEM, MUCH OF WHICH WAS BUILT IN THE HEYDAY OF FREEWAY CONSTRUCTION IN LOS ANGELES DURING THE '50'S and '60'S, AND IS RAPIDLY APPROACHING THE POINT WHERE MAJOR REHABILITATION IS NECESSARY.

TRANSPORTATION FUNDING NEEDS IN THE '80'S

IN TERMS OF OUR FUNDING NEEDS FOR HIGHWAYS IN THE DECADE OF THE '80'S, WE ESTIMATE THAT COMPLETING THE BASIC HIGHWAY SYSTEM (AS DESCRIBED EARLIER) AND MAKING NUMEROUS MODEST IMPROVEMENTS SUCH AS SPOT WIDENINGS, NEW INTERCHANGES, CONSTRUCTING SOUND BARRIERS AND LANDSCAPING WILL REQUIRE $2.510 BILLION IN CURRENT (UNESCALATED) DOLLARS. THE BULK OF THE FUNDS INCLUDED IN THAT ESTIMATE ARE FOR THE CONSTRUCTION OF THE CENTURY FREEWAY, WHICH REPRESENTS THE LARGEST SINGLE INCOMPLETED PORTION OF THE COUNTY'S HIGHWAY SYSTEM.

IN ADDITION TO CAPITAL CONSTRUCTION, THE SYSTEM HAS TO BE MAINTAINED AND REHABILITATED. CALTRANS ESTIMATES THE COST OF THE HIGHWAY MAINTENANCE IN LOS ANGELES COUNTY, OVER THE NEXT TEN YEARS, AT ABOUT $820 MILLION IN ESCALATED DOLLARS. THE COST OF REHABILITATION IS ESTIMATED AT ABOUT $200 MILLION, ALSO IN ESCALATED DOLLARS.

THESE COST ESTIMATES DO NOT INCLUDE THE AMOUNT EXPECTED TO BE SPENT TO MAINTAIN AND UPGRADE ANOTHER MAJOR ELEMENT OF THE OVERALL TRANSPORTATION SYSTEM--LOCAL STREETS AND ROADS. THOSE EXPENDITURES ALONE RUN ABOUT $275 MILLION PER YEAR IN LOS ANGELES COUNTY.

FINANCING

OUR TRANSPORTATION NEEDS IN LOS ANGELES ARE SUBSTANTIAL. I ASSUME YOU'VE BEEN HEARING A SIMILAR MESSAGE FROM EVERY OTHER COMMUNITY THAT HAS COME BEFORE YOUR COMMITTEE.

HOW DO WE GO ABOUT MEETING THESE NEEDS? IN OUR VIEW, THE PARTNERSHIP THAT HAS EXISTED BETWEEN THE FEDERAL, STATE AND LOCAL LEVELS OF GOVERNMENT TO DEVELOP THE TRANSPORTATION SYSTEM WE HAVE TODAY MUST CONTINUE IN THE COMING DECADE.

IN THE HIGHWAY AREA, WE BELIEVE THE FEDERAL GOVERNMENT HAS AN OBLIGATION TO COMPLETE THE HIGHWAY SYSTEMS WHOSE DEVELOPMENT IT HAS EITHER DIRECTED OR ENCOURAGED, MOST NOTABLY THE FEDERAL-AID INTERSTATE AND THE FEDERAL-AID PRIMARY SYSTEMS. FURTHER, THE CAPITAL SUPPORT PROVIDED TO THE VITAL FEEDERS TO THE FEDERALLY AIDED HIGHWAYS IN THE URBAN AREAS, THROUGH THE FEDERAL-AID URBAN SYSTEM, SHOULD BE CONTINUED. IN LOS ANGELES, THE FAUS PROGRAM IS RAPIDLY BECOMING THE MAJOR FUNDING SOURCE FOR MAJOR STREET IMPROVEMENTS, AS DECLINING REVENUES, INFLATION AND MAINTENANCE NEEDS CONSUME LOCAL GAS TAXES. IF THE DECISION IS MADE TO FOCUS ON COMPLETION OF THE INTERSTATE SYSTEM, THEN

WE BELIEVE THAT FEDERAL PARTICIPATION IN THE REMAINDER OF THE INTERSTATE PROGRAM SHOULD BE DONE IN SUCH A WAY AS TO ASSURE EQUITY IN THE ALLOCATION OF REVENUES AND FLEXIBILITY IN THEIR USE. IN ADDITION TO REHABILITATION, LOCAL AREAS SHOULD BE ABLE TO MAKE CERTAIN IMPROVEMENTS TO THE EXISTING SYSTEM TO ENHANCE ITS USEFULNESS AND COMMUNITY ACCEPTABILITY.

AT THE STATE LEVEL, WE BELIEVE THAT THE STATE SHOULD SHARE WITH THE FEDERAL GOVERNMENT, AS IT HAS IN THE PAST, IN CONSTRUCTING THE SYSTEM. FURTHER, THE PRIMARY RESPONSIBILITY FOR MAINTAINING THE HIGHWAYS AND FREEWAYS SHOULD BE BORNE BY THE STATE.

THE LOCAL GOVERNMENTS SHOULD CONTINUE TO BE RESPONSIBLE FOR DEVELOPMENT AND MAINTENANCE OF THE STREETS AND ROADS NETWORK WHICH CARRIES MORE TRAFFIC THAN THE HIGHWAYS AND ACTS AS THE NECESSARY FEEDER SYSTEM TO THE HIGHWAYS.

HIGHWAY REAUTHORIZATION BILLS

WE HAVE REVIEWED BOTH THE ADMINISTRATION BILL, S. 841, AND THE COMMITTEE BILL, S. 1024, ON HIGHWAY REAUTHORIZATION. WE ARE GREATLY ENCOURAGED TO SEE THAT THESE BILLS ARE BOTH MULTI-YEAR AUTHORIZATION MEASURES. OF THE PROVISIONS INCLUDED IN THE BILLS, I WOULD LIKE TO FOCUS ON THE INTERSTATE COMPLETION PROGRAM AND THE FEDERAL-AID URBAN SYSTEMS, BOTH OF WHICH ARE CRITICAL TO LOS ANGELES.

IN REGARD TO THE INTERSTATE COMPLETION PROGRAM, WE WOULD PREFER TO SEE AN AUTHORIZATION LEVEL OF AT LEAST THAT CONTAINED IN S. 841 AT $31 BILLION. WE BELIEVE THAT THE APPORTIONMENT FACTORS FOR INTERSTATE COMPLETION IN CALIFORNIA SHOULD, AT A MINIMUM, REMAIN AT CURRENT LEVELS. ALTHOUGH IN LOS ANGELES COUNTY WE WOULD TARGET INTERSTATE COMPLETION FUNDS TO OUR MAJOR GAPS, SUCH AS THE CENTURY FREEWAY, WE WOULD LIKE THE COMPLETION DEFINITION TO REMAIN AS FLEXIBLE AS POSSIBLE, GIVEN FUNDING CONSTRAINTS TO INCLUDE THE FOLLOWING FACTORS: GAPS, STAGED CONSTRUCTION, ADVANCED COMMITMENT, HOV LANES, AND AN 8 LANE RESTRICTION. ON THE ISSUE OF DISCRETIONARY FUNDS, WE WOULD LIKE TO SEE SUCH FUNDS DISTRIBUTED AT THE DISCRETION OF THE SECRETARY OF TRANSPORTATION TO INTERSTATE SYSTEM GAPS AND PROJECTS OF UNUSUALLY HIGH COSTS. FINALLY, WE WOULD PREFER THE 50%-50% SPLIT BETWEEN LANE MILES AND VEHICLE MILES TRAVELED FOR THE INTERSTATE 4R APPORTIONMENT FORMULA AS INCLUDED IN S. 841.

IN REGARD TO THE FEDERAL-AID URBAN SYSTEM, WE STRONGLY SUPPORT THE CONTINUATION OF THIS PROGRAM THROUGH 1986 AS INCLUDED IN S. 1024 BUT WOULD LIKE A HIGHER LEVEL OF FEDERAL MATCHING DOLLARS THAN PROPOSED IN S. 1024. ALTHOUGH THE CONCEPT OF SPREADING FAU DOLLARS OVER MORE PROJECTS SEEMS REASONABLE, IN THE AFTERMATH OF PROPOSITION 13 AND DWINDLING REVENUES, IT WILL BECOME INCREASINGLY DIFFICULT FOR LOCAL AGENCIES IN CALIFORNIA TO FIND ADEQUATE LOCAL MATCH AMOUNTS.

IN SUMMARY, THE PUBLIC RESPONSIBILITY--FEDERAL, STATE AND LOCAL--TO PROVIDE TRANSPORTATION WILL CONTINUE IN THE '80'S IN RECOGNITION OF THE VITAL ROLE THAT TRANSPORTATION PLAYS IN THE CONTINUED FUNCTIONING OF OUR ECONOMY.

WE IN LOS ANGELES EXPRESS OUR APPRECIATION FOR THE SUPPORT THE FEDERAL GOVERNMENT HAS PROVIDED THUS FAR. WE LOOK FORWARD TO CONTINUING THAT RELATIONSHIP AND ACCOMPLISHING EVEN MORE IN THE DECADE TO COME.

FINALLY, I WISH TO EXPRESS AGAIN MY APPRECIATION TO YOU, MR. CHAIRMAN, YOUR COMMITTEE AND STAFF, FOR ALLOWING ME THE OPPORTUNITY TO CONVEY THESE THOUGHTS. I LOOK FORWARD TO OUR FUTURE WORKING RELATIONSHIP AND WILL BE HAPPY TO ANSWER ANY QUESTIONS THAT YOU MAY HAVE. THANK YOU.

TESTIMONY OF THE
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
BEFORE THE UNITED STATES
TRANSPORTATION SUBCOMMITTEE
OF THE SENATE ENVIRONMENT
AND PUBLIC WORKS COMMITTEE

AUGUST 17, 1981
SEATTLE, WASHINGTON

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, I AM JACKI BACHARACH, MAYOR FROM THE CITY OF RANCHO PALOS VERDES AND A MEMBER OF THE TRANSPORTATION AND UTILITIES COMMITTEE OF THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS. I WISH TO THANK YOU FOR INVITING US TODAY.

I AM HERE REPRESENTING THE EXECUTIVE COMMITTEE OF THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG). SCAG'S EXECUTIVE COMMITTEE CONSISTS OF LOCAL ELECTED OFFICIALS WHO SERVE AS POLICY MAKERS ON REGIONAL ISSUES AFFECTING MORE THAN 10 MILLION RESIDENTS OF THE SOUTHLAND. AS THE METROPOLITAN PLANNING ORGANIZATION (MPO) FOR THE SIX COUNTY SOUTHERN CALIFORNIA REGION, SCAG HAS BEEN ASSESSING REGIONAL TRANSPORTATION NEEDS SINCE THE ADOPTION OF THE FIRST REGIONAL TRANSPORTATION PLAN IN 1975. OUR ROLE IS TO BRING THE TRANSPORTATION SYSTEM INTO A COHERENT WHOLE WITH THE AREA'S GROWTH FORECASTS, HOUSING NEEDS AND AIR QUALITY CONSTRAINTS.

SCAG IS IN THE PROCESS OF REVIEWING THE TRANSPORTATION CAPITAL NEEDS OF OUR REGION BASED UPON THE POPULATION TRENDS PROJECTED IN OUR AMENDED 1978 POPULATION GROWTH ANALYSIS. IN VIRTUALLY EVERY POSSIBLE CONFIGURATION OF SOUTHERN CALIFORNIA'S GROWTH OVER THE NEXT 20 YEARS, WE PROJECT A REVENUE NEED CONSERVATELY

FIGURED AT $25 BILLION CONSTANT 1980 DOLLARS. THIS NEED, IF SERVED EXCLUSIVELY BY HIGHWAY SOLUTIONS, WOULD REQUIRE THE CONSTRUCTION OF APPROXIMATELY 2,000 LANE MILES ON EXISTING HIGHWAYS WHICH ARE ALREADY CLOGGED TO CAPACITY. THIS ASSESSMENT, WHICH IS BASED ON THE PRELIMINARY FINDINGS OF OUR STAFF, ASSUMES A 20% REGIONAL POPULATION INCREASE GROWING TO A YEAR 2000 POPULATION OF 13.9 MILLION PEOPLE. IT ASSUMES THAT SOUTHERN CALIFORNIA CONTINUES TO GARNER ITS EXPECTED SHARE OF NATIONAL JOBS AND ONLY EXPERIENCES A 6% ANNUAL INFLATION RATE FOR FISCAL 1986 AND BEYOND. THE ADDITIONAL PERSON TRIPS ON OUR FREEWAY SYSTEM FROM THIS GROWTH WILL GENERATE UP TO A 50% REQUIRED INCREASE IN FREEWAY LANE MILES. THEREFORE, NOT ONLY MUST WE SEEK SOLUTIONS TO REHABILITATION NEEDS OF EXISTING SYSTEMS, BUT WE MUST FORGE AHEAD IN ACCOMMODATING THE TRAVEL NEEDS OF FUTURE GENERATIONS. NEVER BEFORE IN THE HISTORY OF OUR ORGANIZATION HAS THERE BEEN A GREATER CHALLENGE IN MEETING THE MOBILITY REQUIREMENTS OF PEOPLE AND GOODS IN A CLIMATE OF KEEN COMPETITION FOR SCARCE RESOURCES AT ALL LEVELS OF GOVERNMENT..

WE WOULD LIKE TO TAKE THIS VALUABLE OPPORTUNITY TO IDENTIFY WHAT WE BELIEVE TO BE THE MAJOR REGIONAL HIGHWAY NEEDS OF SOUTHERN CALIFORNIA. IN RESPECT TO THE PROGRAMS PRESENTED IN THE COMMITTEE BILL, S. 1024, AND THE ADMINISTRATION'S PROPOSAL, S. 841, WE WISH TO ADDRESS THE ISSUES OF (1.) COMPLETION OF THE INTERSTATE SYSTEM, (2.) REHABILITATION NEEDS OF THE EXISTING FEDERAL-AID SYSTEM, (3.) THE FEDERAL-AID URBAN SYSTEM, AND (4.) FINANCING RECOMMENDATIONS. THESE ARE THE CRITICAL PROGRAM AREAS FOR SOUTHERN CALIFORNIA.

COMPLETION OF THE INTERSTATE SYSTEM:

ACCORDING TO THE DEPARTMENT OF TRANSPORTATION, CALIFORNIA RANKS SECOND IN THE NATION WITH 2,314 INTERSTATE MILES. THE SIX-COUNTY SCAG REGION ITSELF CONTAINS APPROXIMATELY 1,000 MILES OF INTERSTATE OF WHICH 30 MILES REMAIN TO BE COMPLETED. THE AUTHORIZATION LEVEL PROPOSED BY THE COMMITTEE BILL, OVER A FIVE YEAR PERIOD, IS AT A MINIMUM ACCEPTABLE FINANCIAL LEVEL. WE ARE VERY SENSITIVE TO CONGRESS SCALING BACK INTERSTATE CONSTRUCTION AND REDEFINING PROJECT ELIGIBILITY. CALIFORNIA'S COST-TO-COMPLETE APPORTIONMENT STANDS TO BE SIGNIFICANTLY DECREASED. FOR EXAMPLE, THE CURRENT FHWA DEFINITION WOULD RETURN CALIFORNIA 8.77% OF THE NATION'S TOTAL AUTHORIZATION. THE ADMINISTRATION'S BILL WOULD ONLY RETURN 7.85%. THE FORMER COST-TO-COMPLETE DEFINITION TRULY OFFERED CALIFORNIA AN OPPORTUNITY TO FOCUS ON COMPLETION OF INTERSTATE PROJECTS, AND IT IS THAT DEFINITION WHICH WOULD RETURN 10.77% TO CALIFORNIA.

THE HIGHWAY PROGRAM THROUGHOUT CALIFORNIA IS FACED WITH A COMBINATION OF FEDERAL SANCTIONS AND A SHORTAGE OF STATE CASH FOR MATCHING FUNDS. THE SCAG REGION, WITH 42% OF CALIFORNIA'S INTERSTATE SYSTEM, WILL BE GRAVELY AFFECTED BY A STRICTER ELIGIBILITY DEFINITION. WE ARE FACED WITH THE CONSTRUCTION OF I-105 --- THE CENTURY FREEWAY, I-15 IN RIVERSIDE COUNTY, AND I-110 IN LOS ANGELES COUNTY WHICH ARE THE REMAINING UNFINISHED PORTIONS OF THE INTERSTATE SYSTEM. WE SUPPORT A FLEXIBLE PROJECT

ELIGIBILITY DEFINITION, ONE THAT FULLY AND RESPONSIBLY ADDRESSES TRAVEL DEMAND IN SOUTHERN CALIFORNIA. THE LEVEL OF SERVICE SHOULD BE CONSISTENT WITH THE SURROUNDING TRANSPORTATION INFRASTRUCTURE, GAPS SHOULD BE ELIMINATED, CONSTRUCTION STAGED, AND THE DESIGN SHOULD INCLUDE HIGH OCCUPANCY VEHICLE LANES WHERE APPROPRIATE.

REHABILITATION NEEDS OF THE EXISTING FEDERAL-AID SYSTEM:

WITH REGARD TO REHABILITATION NEEDS OF THE FEDERAL-AID HIGHWAY SYSTEM WITHIN CALIFORNIA, YOU HAVE HEARD WITNESSES TESTIFY TODAY ON THE DETERIORATING CONDITION AND THE PROJECTED COST OF HIGHWAY MAINTENANCE AND REHABILITATION. OUR FREEWAYS AND HIGHWAYS ARE TRAVELED TO CAPACITY, AND DURING PEAK HOURS, OVERLOADED. APPROXIMATELY 90% OF THE REGION'S FREEWAY AND EXPRESSWAY SYSTEM WAS BUILT PRIOR TO 1970, WHICH MEANS THAT THEY HAVE REACHED HALF THEIR DESIGNED SERVICE LIFE. ADDITIONALLY, ROUTES SUCH AS I-5, I-10, I-110, SR 7 AND ROUTE 101 WERE CONSTRUCTED BETWEEN 1940 AND 1960.

WE SUPPORT THE INCLUSION OF THE RECONSTRUCTION CATEGORY UNDER AN EXPANDED 3-R PROGRAM. ALSO, WE SUPPORT A 50% LANE/ 50% VEHICLE MILE APPORTIONMENT FORMULA. AND FINALLY, WE SUPPORT AN INCREASE IN THE FEDERAL SHARE TO 90% AS PROPOSED IN THE ADMINISTRATION'S BILL. SINCE FEDERAL-STATE-LOCAL HIGHWAY CAPITAL IMPROVEMENTS ARE NOT PRESENTLY ADEQUATE TO IMPROVE DETERIORATING ROADS, IT IS REASONABLE THAT FEDERAL FUNDING ELIGIBILITY FOCUS ON AN EXPANDED 3-R PROGRAM. HOWEVER, IN CALIFORNIA WHERE WE RANK SECOND IN THE NATION FOR TOTAL FEDERAL INTERSTATE, PRIMARY, SECONDARY, AND URBAN HIGHWAY MILES, WE PROMOTE A HIGHER AUTHORIZATION LEVEL.

THE FEDERAL-AID URBAN SYSTEM:

THE FEDERAL AID URBAN SYSTEM PROGRAM IS A BROAD URBAN HIGHWAY PROGRAM WHICH ALLOWS FUNDING FOR SELECTED URBAN ARTERIAL AND COLLECTOR ROUTES NOT ON ANOTHER FEDERAL AID SYSTEM. THE CONTINUATION OF THE FAU AND THE FAS PROGRAMS THROUGH 1986 IS STRONGLY SUPPORTED.

IN CALIFORNIA, MOST OF THE FUNDING FOR LOCAL STREETS AND ROADS COMES FROM A 3.39 CENT PER GALLON GASOLINE TAX WHICH HAS BEEN DECREASING DUE TO INFLATION AND DECLINING FUEL SALES. IN VIEW OF THIS FACT, AND DIMINISHING REVENUES DUE TO THE PASSAGE OF PROPOSITION 13, THE LOCAL HIGHWAY FINANCING PICTURE IS FRAUGHT WITH UNCERTAINTIES.

WHILE THE SUPPORT SEEMS TO BE DIVIDED ON THE ISSUE OF SUBSTITUTING BLOCK GRANTS TO LOCAL GOVERNMENTS FOR THE PRESENT URBAN AND RURAL PROGRAMS, THE CONCENSUS INDICATES THAT LOCAL GOVERNMENTS DESIRE LESS RED TAPE RELATED TO FAU CLAIMS AND MORE FLEXIBILITY IN MEETING PRIORITY NEEDS. WE ARE CONCERNED THAT THE STATE'S ROLE IN PRIORITY SETTING WOULD BE STRENGTHENED AT THE EXPENSE OR EXCLUSION OF LOCAL ELECTED OFFICIAL INVOLVEMENT. THE BLOCK GRANT FUNDING OF FAU AND FAS IS ACCEPTABLE PROVIDED STATE SUBALLOCATIONS UTILIZE JOINT DECISION-MAKING BY LOCAL ELECTED OFFICIALS IN THE MPO PROCESS.

WE ENCOURAGE A MORE EQUITABLE ALLOCATION OF HIGHWAY FUNDS AMONG LOCAL GOVERNMENTS THAN IS PRESENTLY THE CASE. FOR EXAMPLE, IN 1979, OVER 25% OF VEHICLE MILES TRAVELED WERE ON FAU SYSTEMS, YET ONLY 1/3 OF URBAN GENERATED REVENUES WERE RETURNED TO URBAN SYSTEMS. FURTHER, THE FAU PROGRAM CURRENTLY REQUIRES THAT A PROJECT'S FINANCING MUST BE USED IN ONE FISCAL YEAR PLUS TWO CALENDAR YEARS. THE FUNDS CAN BE TRANSFERRED OUT OF THE REGION BY THE STATE IF A PROJECT IS NOT DEVELOPED WITHIN THIS TIME FRAME. OFTEN THIS TIME FRAME IS UNREALISTIC. THEREFORE, WE SUPPORT CHANGING THE PROVISION TO REQUIRE FUNDS ALLOCATED TO A METROPOLITAN AREA FOR AN URBAN PROJECT TO BE USED IN THAT AREA.

FINANCING RECOMMENDATIONS:

IN SUMMARY, WE HAVE PROPOSED A STRONGER FEDERAL-STATE-LOCAL PARTNERSHIP IN FEDERAL-AID HIGHWAY PROGRAMS; A WELL BALANCED AND SUFFICIENTLY FINANCED EFFORT THAT ASSURES ALL LEVELS OF GOVERNMENTS THAT THE HIGHWAY INVESTMENT WILL BE MAINTAINED AND OFFER FUTURE GENERATIONS THE MOBILITY BENEFITS RECEIVED BY PAST GENERATIONS.

FOR DECADES, THERE HAS EXISTED A PARTNERSHIP BETWEEN FEDERAL, STATE, AND LOCAL GOVERNMENTS IN THE DEVELOPMENT AND MAINTENANCE OF TRANSPORTATION SYSTEMS. WE BELIEVE THAT A WELL BALANCED AND PROPERLY FINANCED SYSTEM IS IN THE NATIONAL INTEREST. THE FEDERAL HIGHWAY COMMITMENT HAS PROMOTED AND SHOULD CONTINUE TO PROMOTE INCREASED INTERSTATE TRADE, ECONOMIC EXPANSION OF PORTS, HARBORS, AND THE SURROUNDING INFRASTRUCTURE, IMPROVED ACCESS TO AIRPORT FACILITIES, AND THE ECONOMIC STABILITY OF FEDERAL INSTALLATIONS. WE NEED FEDERAL LEGISLATION THAT SUPPORTS AUTHORIZATION LEVELS WHICH ASSURE LOCAL GOVERNMENTS THAT ONE DAY THEY WILL NOT BE LEFT TO MAINTAIN A TRANSPORTATION SYSTEM WHICH THEY CANNOT AFFORD.

THE CURRENT ADMINISTRATION IS DIRECTING STATE AND LOCAL OFFICIALS TO SEEK THEIR OWN SOLUTIONS TO TRADITIONALLY SHARED PROBLEMS AND TO ASSUME MORE ADMINISTRATION OF PROGRAMS WHICH IN PAST YEARS HAVE BEEN FEDERALLY FUNDED. WE COULD BEGIN TO ACCEPT THIS MAJOR NEW DIRECTION IF THE FEDERAL GOVERNMENT PROVIDES A

REASONABLE TRANSITIONARY PERIOD. IT IS IN VIEW OF THIS NEW APPROACH THAT WE SUPPORT AN EXTENSION OF THE FEDERAL HIGHWAY TRUST FUND AS AN EQUITABLE MEANS OF FINANCING HIGHWAY IMPROVEMENTS. USERS SHOULD CONTINUE TO PAY FOR IMPROVING THE SYSTEM. HOWEVER, THE TRUST FUND WHICH IS SUPPORTED BY A 4¢ PER GALLON EXCISE TAX, HAS BEEN EXPERIENCING SHRINKING REVENUES AND COST INFLATION.

AS ONE EXAMPLE OF A FINANCING MECHANISM, WE RECOMMEND THAT THIS COMMITTEE PROMOTE LEGISLATION THAT WILL CONVERT THE PRESENT UNIT TAX TO AN AD VALOREM TAX ON THE PRICE OF WHOLESALE GASOLINE. THE AD VALOREM TAX SHOULD AUTOMATICALLY INCREASE AS DOES THE PRICE OF WHOLESALE GASOLINE. THE CURRENT GASOLINE TAX COULD BE INCREASED A FEW CENTS INITIALLY BY ESTABLISHING A HIGHER INITIAL PERCENTAGE BASE IN SETTING THE AD VALOREM RATE. THE REVENUE GENERATED BY THE INCREASED TAX COULD BE SET-ASIDE AND EARMARKED FOR A 100% RETURN TO THE STATES. THE STATES WOULD BE REQUIRED TO ENACT LEGISLATION, WITHIN A SPECIFIED PERIOD OF TIME (PERHAPS TWO OR THREE YEARS), WHICH WOULD INCREASE THE GASOLINE TAX AND THEREBY TRIGGER THE 100% RETURN OF REVENUES COLLECTED AND HELD IN THE HIGHWAY TRUST FUND. STATES SHOULD BE GIVEN THE LATITUDE TO SPEND MONEY RETURNED ON ANY HIGHWAY PROJECT DESIRED. ALL STATES THAT FAIL TO ENACT SUCH LEGISLATION COULD BE ELIGIBLE FOR A MINIMUM APPORTIONMENT.

THIS MECHANISM, AS ONE EXAMPLE, WOULD GIVE STATE AND LOCAL GOVERNMENTS A TRANSITIONARY FINANCING PERIOD, PARTICULARLY IMPORTANT TO THE URBAN AND RURAL PROGRAMS, ALONG WITH THE FLEXIBILITY TO FOCUS ON EACH STATE'S PARTICULAR HIGHWAY NEEDS AND PRIORITIES.

WE SINCERELY APPRECIATE THE FEDERAL GOVERNMENT'S SUPPORT AND LOOK FORWARD TO A CONTINUING RELATIONSHIP. WE WISH TO THANK MR. SYMMS, THIS COMMITTEE, AND ITS STAFF FOR THE OPPORTUNITY TO TESTIFY TODAY.

TESTIMONY OF

BRUCE D. OLSEN, MANAGER PUBLIC AFFAIRS

AUTOMOBILE CLUB OF WASHINGTON (AAA)

BEFORE THE

TRANSPORTATION SUBCOMMITTEE OF THE

SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE

CONCERNING HIGHWAY NEEDS AND FEDERAL-AID HIGHWAY PROGRAM

AUGUST 17, 1981

Mr. Chairman, I am Bruce Olsen, manager of the Public Relations department of the Automobile Club of Washington.

The Auto Club appreciates the opportunity to testify on the future direction of the federal-aid highway program.

The Automobile Club of Washington is an affiliate organization of the American Automobile Association, serving over 240,000 members in western and central Washington.

AAA was founded in 1904 to serve two basic purposes: to provide auto and travel related services to its members, and to work in behalf of the best interests of the motoring and traveling public to promote safer and more enjoyable travel.

The Auto Club of Washington believes that deteriorating conditions of our present federal-aid highway plant, the significant increases in the cost of highway construction, coupled with a leveling off or decrease in Highway Trust Fund revenues dictate the need for a reorientation of federal-aid highway program priorities.

AAA believes that the resources of the Trust Fund should be used to construct and rehabilitate those highway networks of national significance.

The Interstate System

Top priority must be given to closing essential Interstate gaps not now open to traffic and to accelerated completion of those segments which are open to traffic but which have not been completed to full design standards because of stage construction.

However, the AAA firmly believes provisions in S. 1024 that allow the Secretary of Transportation to redesign incomplete portions of the Interstate Highway System to be inadvisable.

An Environmental Impact Statement for an 8-lane, Interstate 90 has been approved and construction work on the project should proceed at once. Any tampering with the current 3-2T-3 lane configuration would only cause more needless and expensive delay.

We would urge the secretary's authority to redesign Interstate Completion projects exclude I-90 and I-182 in the Yakima/Tri-Cities area.

Interstate 4R

AAA believes that the next most important objective in any new highway program is the preservation of the capital investment already made in the Interstate System. Limited provision is already made for this through the 3R program. A fourth category, reconstruction, should be added and funds should be increased substantially.

While the AAA supports the concept of a 4R program, we are concerned that any proposed formula for appropriating the funds to the states not discriminate against states which have made an effort to maintain their Interstate system.

We endorse a distribution formula that recognizes the number of highway miles to be maintained, state fuel consumption and lane miles to be maintained.

Bridges

Bridges are like fuses or circuit breakers in an electrical system. If either is deficient, the ability of the system to perform its designed function is impaired or destroyed. The latest report on bridge conditions in Washington alone indicates that over 100 bridges have been classified as structurally deficient or functionally obsolete. Failure to correct these problems will have serious safety and economic ramifications.

The Highway Trust Fund

Of utmost importance in any discussion of new financing for an ongoing highway program is the credibility of the financing mechanism. The Highway Trust Fund had a high level of credibility in the early years of the program. However, with each passing year the Congress has saddled the fund with increasing liabilities for categorical programs which individual members believed deserved more state attention. The Trust Fund has been used both as a club to force states to adopt programs and as an enticement to change program priorities.

Various administrations have impounded trust funds, and more recently the Congress itself has placed obligational ceilings on the program substantially below the level of investment which the Trust Fund would be capable of supporting. The net effect of these actions has been to build up a significant balance in the fund which can then be used to balance deficiencies in other federal accounts in the general budget. The Trust Fund balance is now about $10 billion. These actions have jeopardized the state-federal partnership role and have brought about unnecessary delays and uncertainties in the completion of highway projects. In an inflationary era such delays have added an additional layer of increased costs to the program.

It is important to eliminate or significantly reduce the number of categorical grants in the highway program and to take necessary steps to reduce the balance in the Trust Fund to an amount sufficient to accommodate normal cash flow requirements under prudent financial management practices. Such action must be taken prior to any call for increased revenues. Without such action, the credibility of the need for such revenues will be seriously questioned.

AAA recommends that the Trust Fund be extended to the year 2000. Such a long-term extension would make it unnecessary to hold large balances pending Trust Fund termination. It would preserve the option of elimination or further extension at a later date.

With the removal of the need for larger balances, about $2.5 billion per year could be drawn down for a period of three years (total of $7.5 billion) to offset the costs of increased program authorizations while the Congress considers both the findings of the cost allocation study and the U.S. Treasury study on user taxation. The three-year draw down would also minimize the effect on the federal budget. The remaining $2.5 billion of the existing balance should be retained to provide adequate cash flow at the end of the fiscal year and cushion the effects of any unforeseen emergency situations.

Reducing the balance will reduce investment income. By the end of the third year taxing mechanisms should be in place to provide some $3.5 to $4 billion additional revenue over and above the approximately $7 billion, exclusive of interest, currently received by the Trust Fund.

Tax Proposals

Of considerable importance to the development of any user-financed package of taxes is an appreciation of the intermix of various tax sources and how they are applied to achieve the most reasonable tax equity between users of various classes of vehicles.

There is general agreement that major highway efforts in this decade will be devoted to rehabilitiation and reconstruction of existing facilities, rather than to construction of facilities on new rights-of-way. The nature of the work to be accomplished argues for a very careful appraisal of the types of taxes selected, the relative amounts of increases in the tax rates, the user groups primarily responsible for the improvements needed, and which user groups will bear the brunt of tax increases.

Most proposals for increasing tax revenues to the Trust Fund have centered on the fuel tax. This is understandable because over two-thirds of Trust Fund receipts are customarily received from this tax.

It is important to recognize the fact that any fuel tax is paid primarily by the users of light vehicles which cause the least wear and tear on the highway. According to estimates by FHWA, owners and operators of heavy vehicles (those over 26,000 pounds GVW) pay eleven per cent of the total fuel taxes going into the Trust Fund. So the simple solution presented by increasing fuel tax rates places some 89 per cent of the tax burden on light vehicle owners.

The State of Tennessee has recently reported that heavy axle loadings were responsible for 96.8 per cent of highway wear and tear, as expressed in 18,000 pound axle load equivalency factors, whereas passenger vehicles and pickup trucks were responsible for only 3.2 per cent. Any taxing mechanism which relies primarily on the fuel tax does not take the proportionately greater tax responsibility of heavier trucks into account.

AAA suggest that any new taxing program include some recognition of the effects of heavy axles and miles traveled. We would suggest consideration of a federal weight-distance tax for all vehicles over 26,000 pounds registered gross weight, or perhaps some form of a graduated tax that would more accurately reflect the effects of axle weight impacts on the highway pavement.

AAA recognizes that the increased costs of the future highway program might require increases in the federal fuel tax. However, other taxes currently making up the tax package of the Highway Trust Fund must also be increased so as to preserve an equitable mix of taxes reflecting degree of responsibility for the necessary capital expenditures.

Truck Sizes and Weights

In view of the substantial investments which all highway users will be called upon to make in the next decade, it is essential that construction practices accommodate safely and efficiently the demands that will be placed on the newly built and rebuilt segments. To accomplish this it is necessary for highway builders to know the extent of these demands as they relate to size and weights of vehicles forecasted to use these facilities.

The design life of highway pavement is heavily influenced by the number and weight of axles passing over it. Estimates are made of the forecasted number of 18,000 pound equivalent axle loadings expected over a fixed time frame. Pavement and bridges are then constructed to accommodate the expected loadings. Two important variables must be considered: (1) the axle loadings, and (2) the frequency of these loadings in the traffic stream. Variation in either affects the rate at which the pavement wears out. Variations in both compound the problems. Increase in either weights or frequency shorten the design life. Increases in both weights and frequency can have catastrophic effects in accelerating obsolescence, with a concurrent requirement to invest heavily in capital improvements to save the road.

Little can be done about the frequency of heavy axle loads for that is primarily a function of economic activity. The more robust the economy, the more tonnage of goods to be moved. However, the other variable, permitted axle loads, can be controlled by legislation and strict enforcement.

Failure to establish maximum size and weight limits applicable to all federal-aid highways, and elimination of all so-called grandfather clauses, has led to a continuing escalation of weights on non-Interstate roads, and subsequent congressional approval for increased weights on the Interstate. According to the Federal Highway Administration, the Interstate System experienced significant deterioration between 1975 and 1978. In 1975 some four per cent of Interstate pavement needed immediate rehabilitation or reconstruction. Just three years later the percentage needing such work jumped to ten per cent. It is estimated that some 2,000 Interstate miles will reach their design life limit each year.

AAA is convinced that the action of the Congress in raising the permitted axle and gross weight limits, effective in 1975, and other actions by the states in liberalizing such weights through issuance of special permits for reducible loads have played a major role in shortening the calendar life expectancy of our highway plant. Roads which the public was led to believe would last 20 years or more are reaching their design life in 15 years or less. Some extreme examples have reached design life in less than 10 years. Clearly this problem must be addressed in any new highway legislation.

It is essential that agreement be reached on a maximum set of sizes and weights applicable to all federal-aid systems. Such systems must be built to accommodate these weights and adequate measures must be undertaken to prevent illegal overloads. Provision must be made for the occasional movement of indivisible loads in excess of the agreed upon size and/or maximum gross weight limits but all such movements should be carefully controlled as to axle loadings, route and time of movement. Grandfather clauses should be eliminated, as should special permits for divisible loads.

AAA believes that no policy decision should be made relative to any changes in the current federal size and weight standards pending receipt of the truck size and weight study mandated by Sec. 161 of the Surface Transportation Assistance Act of 1978 and its consideration in conjunction with the cost allocation study and the report of the Secretary of Treasury on the existing highway excise tax structure called for in Sections 506 and 507 of the same legislation. We believe that any policy change in federal size and weight standards is so closely related to the issue of who should pay and how much that the issues cannot logically or equitably be considered separately.

Thank you, Mr. Chairman.

Committee On Environment And Public Works
Subcommittee On Transportation
Hearing On
Federal-Aid Highway Legislation

Mr. Chairman, members of the Subcommittee, my name is Jack Kalinoski. I am here today speaking on behalf of the Oregon-Columbia Chapter of the Associated General Contractors regarding the federal aid highway program.

Our Chapter of the AGC is composed of about 800 construction contractors and other allied business firms located in Oregon and five and one-half counties in southwest Washington. For many and varied reasons, our membership has a significant amount of interest in the condition of highways, roads and streets both interstate and intrastate. Hence, any proposal by the Congress or the Administration regarding federal involvement in this segment of transportation warrants our consideration and justifies a presentation by us regarding these issues.

We deeply appreciate your visitation to the Northwest to give us the opportunity to present our views. Sometimes we feel our problems are somewhat unique. Because of the distance between our part of the country and the nation's capitol, as well as the press of other national and international considerations that must be addressed by the Congress, our peculiar problems regarding transportation are, we perceive, unfortunately misunderstood or overlooked. Hopefully, your visit here will give you an opportunity to see first hand the type of problems we are attempting to solve in the Northwest and the methodology being utilized to achieve those solutions.

In our testimony we will address most of the issues identified earlier as being of concern to this Subcommittee. We will, however, also address other issues that are of concern to our membership and, we believe, to the people of Oregon and Washington.

With regard to the completion of the interstate highway system, it is our feeling that this should be the number one priority of the Congress when considering programs involving the federal highway trust fund. Interstate travel for the delivery of goods and services and for the convenience of the motoring public in a safe and economical manner is of extreme importance to the welfare of our country. This has been stated many times in many ways and is at least as important now as it was when the interstate highway system was conceived more than 25 years ago. Reiterating those reasons at this time would serve no useful purpose.

We recognize that the construction of some of the remaining segments of the interstate highway system will create genuine environmental impacts which in turn will require the expenditure of large amounts of available highway funds to minimize those effects. We would suggest that the Congress encourage each state to schedule as rapidly as possible the construction of those segments of the interstate highway system that require the least amount of expenditures to minimize environmental concerns. In other words, it is our suggestion that within each state emphasis be placed on planned interstate highway projects where the greatest amount of benefit will accrue to the motoring public with the least amount of adverse environmental concerns.

Recently, it was reported that 73 percent of Oregon's most heavily traveled roads are substandard. Fourteen thousand four hundred miles of road are in moderately or severely deteriorated condition. It has been reported that these bad roads cause the average Oregon driver to waste 145 gallons of fuel each year. The total annual wasted fuel consumption in Oregon amounts to 271.4 million gallons. Driving over bumpy, broken pavement is reported to cost Oregonians $437 million more each year. The obvious conclusion from these statistics is that the expenditure of money to rehabilitate existing roads is one of the most cost effective programs that governments could provide.

But again, obviously, all of these problems cannot be solved as quickly as we would desire. Here again, we feel priorities must be established. For the most judicious use of available federal funds, we are of the opinion that consideration should be given to reducing the federal involvement in states' highway programs to only those highways that are of true national concern. Certainly, the entire interstate highway system is demanding of Congressional attention. In all likelihood most, but certainly not all, of the federal aid primary system would be of national concern. But, we believe, only a small portion of the federal aid secondary highway system falls into that category.

Going one step further, we believe the Congress should take a hard look at the efforts that are being made by the state and local governments to raise highway revenues to meet their most pressing needs. Oregon, for instance, whose Department of Transportation faces a shortfall of $520 million within the next four years just to preserve the state highway system, has increased its state gasoline tax by one penny and is asking the voters to approve a phase-in of an additional three cents over the next three years along with a proportionate increase in the weight-mile tax paid by truckers. Oregonians, as well as the citizens in other states, seem to be quite willing to accept road user tax increases if they know that money will be used for the preservation and rehabilitation of their existing road system.

The Congress, we feel, could be of great assistance by adopting a federal aid program that will focus in on and concentrate on those most pressing problems facing states and local governments.

Along this line, we would encourage the Congress to reduce the number of categories in the federal highway program and consolidate the purposes for which the federal road user tax money is allocated. Certainly, the need for highway work varies greatly within the different regions of the nation, and perhaps extensively even when comparing one state to another within each region. Each state, we feel, has a better grasp of its most critical needs than the centrally located federal government. For this reason, block grants from the federal highway trust fund to each state would make good sense. This would allow each state to apply federal aid monies on projects of the highest priority irrespective of the classification of the road. This is the type of flexibility that we feel is needed for the states to achieve maximum efficiency when applying all available revenues to highway needs.

We read the other day that each year 150 bridges throughout the nation are taken out of service because of their inability to carry even normal traffic loadings. While the Congress has provided for a bridge replacement program, the amount allocated is not enough to keep pace with the needs and the program does not operate in a manner that allows bridge work to take place within a short period of time when emergencies occur. Replacement of bridges as well as major preventive maintainence, are issues that often demand immediate attention. If the Congress were to consolidate the various categories and allow each state the flexibility and the authority to determine where allocated federal grant money from the Trust Fund will be expended, such bridge work could proceed in the most rapid manner to prevent the disruption from a failing bridge.

With regard to truck sizes and weights, we recognize that the economies in the transportation of goods must be balanced with the ability of the roads to handle the loads placed upon them. But there is a problem that we feel could and should be addressed by the Congress, acting with the consultation of state highway officials throughout the nation. Especially as regards the interstate highway system, it seems to us that truck size and weight limitations could be made uniform for interstate highway travel. Should uniform regulations be adopted for truck travel on the interstate highway system, equipment could be standardized, regulations would be more easily understood, enforcement would be less difficult and costs for transporting goods over the highway system would be reduced.

With respect to the issue of growth in the urban areas, we, as a part of the construction industry, do not feel qualified to propose resolutions to the problems that result. We do, however, feel very strongly that any federal program for transportation within urban areas should be predicated upon a balanced transportation system involving mass transit facilities. Recognizing the dire need for work on highways throughout the nation, we are convinced that the federal highway trust fund should be used for those needs and any continued federal involvement in mass transit projects should be funded from sources other than the Trust Fund. We feel it important to remember that the improvement, reconstruction, maintainence and preservation of the road systems in the less populated areas are vital to the well being of the more populated urban centers. Large segments of people need mass transit facilities and these should be provided, but not at the expense of of the road systems in all areas of each state.

Our Chapter of the Associated General Contractors is very concerned about the funding of projects that have been substituted for withdrawn interstate freeway segments. Within the past few years, three freeway segments in Oregon were removed from the interestate system at the request of the state and the affected local governments. The people were assured that money would be available from the General Fund of the United States to finance needed highway, road and street projects selected as substitute projects for the withdrawn freeways, and that the amount of money available would be equal to the estimated cost of completion of those withdrawn freeway segments. In recent months, we have been given information indicating that the Congress may not honor the commitment made when the local decisions were finalized. Failure to honor those commitments would, in our estimation, be detrimental to the public's perception of the credibility of government and would thoroughly frustrate the efforts of a large number of people who have been involved with the conception, design and funding of the local share of these projects, many of which are ready to be built but cannot be started because of the unavailability of the promised federal funds. For these reasons, we consider it to be of the greatest importance that the federal government not renege on its promises to the people in those states who acted in accordance with terms and conditions prescribed by an Act of Congress.

Finally, we wish to comment on the efforts to balance the federal budget. We consider this to be an admirable goal, but we feel the use of the federal highway trust fund for this purpose is misleading and improper. Taxes that are extracted from the people for the benefit of the highway trust fund are in fact road user taxes. The great bulk of the people in Oregon want these particular taxes spent for the preservation of the highway system. Impounding these revenues for budget-balancing purposes deprives the people who paid those taxes of the proper and expeditious use of these monies to solve the road problems. We believe the General Fund of the United States should be balanced with respect to the tax revenues paid into the General Fund and the highway trust fund revenues should be expended promptly as needed to protect the investment Americans have in the vast highway, road and street systems throughout the nation.

In conclusion, I would like to again express the gratitude of the Oregon-Columbia Chapter of the Associated General Contractors for your consideration in holding this hearing in Seattle. We know that the future of the federal highway program is difficult and complex and we hope that at least some of the suggestions we have made with this testimony will be worthy of consideration as the Congress decides the future of the program.

THE EFFECT OF SUBSTANDARD ROADS ON VEHICLE OPERATING COSTS IN OREGON

APRIL 1981

Prepared By

THE ROAD INFORMATION PROGRAM
1899 L Street, N.W., Suite 401
Washington, D.C. 20036
(202) 466-6706

for

OREGON-COLUMBIA CHAPTER OF ASSOCIATED GENERAL CONTRACTORS
9450 Southwest Commerce Circle
Wilsonville, Oregon 97070
(503) 682-3363

The Road Information Program (TRIP) of Washington, D.C., researches, evaluates and distributes economic and technical data on transportation issues. TRIP is a non-profit agency sponsored by insurance companies, motor vehicle manufacturers, energy companies, highway contractors, construction equipment manufacturers and suppliers, and businesses involved in highway engineering, construction and financing.

Introduction

This study estimates the added vehicle operating cost of driving on deteriorated roads in Oregon. This study includes only paved main roads, which comprise 17.1 percent of the state's total mileage, but handle 86.6 percent of the traffic volume.

Findings are based on data from the Oregon Department of Transportation, the Federal Highway Administration, the National Cooperative Highway Research Program (NCHRP) and on scientific road tests that measured fuel consumption, tire wear and vehicle damage relative to the quality of the road pavement in use. Vehicle depreciation, insurance, parking, tolls, licenses and registration were not included because these cost items exist regardless of road conditions.

Summary

- Badly worn roads add an estimated $438 million a year to drivers' costs in Oregon because of wasted fuel, excessive tire wear and extra vehicle repairs. The total amounts to an average annual expense of $233 per driver.
- Over 70 percent of the state's 19,685 miles of paved main roads (arterial and collector) are deficient by nationally accepted engineering standards.
- Drivers in Oregon logged an estimated 11 billion vehicle miles on these 13,946 miles of deteriorated roads in 1979 at a total vehicle operating cost of $1.43 billion. Had these roads been up to standard, this travel would have cost only $992 million -- a savings of $438 million or 30 percent.
- TRIP recommends a 10-year program to resurface or rebuild the 5,541 miles of deteriorated state-maintained roads at an average cost of $183.4 million a year, not including inflation or future deterioration.
- TRIP also recommends rehabilitation of the 5,005 miles of deficient county roads and the 3,400 miles of substandard city streets but estimates for the resurfacing and the rebuilding of these roads are not included in this study.

Recent Travel Trends

Motorists in Oregon logged an estimated 19.5 billion vehicle miles of travel in 1979, down 1.5 percent from 1978 when they traveled 19.8 billion vehicle miles.

For the next few years, traffic volume in Oregon is expected to remain stable or drop slightly. Even if there would be an increase in travel, fuel consumption is expected to drop off slightly because of wider use of small economy cars, engines that are more fuel-efficient, continuation of the 55-mph speed limit and enforcement of progressively more stringent federal fuel economy standards for the vehicle manufacturers.

Because of this decline in fuel consumption relative to traffic volumes, motor-fuel taxes are generating proportionally less revenue for the mileage driven than in the past, leaving the state and local jurisdictions short of highway revenue for road renewal and maintenance. Inflation is aggravating this problem, with road work in Oregon now costing almost two-and-one-half times as much as it did 10 years ago.

Vehicle Operating Cost Test Procedures

Scientific road tests were used to determine the cost of operating vehicles on deteriorated road surfaces, compared with the cost of driving on good pavement.

The road tests were a part of a study conducted by Paul J. Claffey and Associates of Potsdam, New York, for the American Association of State Highway and Transportation Officials (AASHTO) in cooperation with the Federal Highway Administration. Test results have been published by the Transportation Research Board of the National Academy of Sciences in NCHRP Report 111.

The tests to measure effects of road pavement deterioration on operating costs were conducted at 22 locations in three states. Types of roadway used consisted of Interstate highways, state primary roads, secondary roads and city streets. Each test site represented a particular combination of grade, alignment and surface condition required to obtain a varied realistic sampling. Tests were run in light traffic to reduce the fuel-consuming effect of congestion.

Eleven vehicles were used, including standard sedans, compact cars, trucks and a transit bus. Fuel-consumption tests involved multiple, timed runs over each test section using an electronic fuel meter.

The same sections of road used to measure fuel consumption also were used to determine tire wear. The degree of wear was determined by removing the tires from the wheel rims and weighing them compared with the recorded weight in grams prior to testing. The amount of tire damage was determined by physical inspection.

The amount of brake system and transmission wear was determined following 15,000 test stops from various posted speed limits.

Test Results

The road tests by Paul J. Claffey and Associates established that vehicles traveling at a uniform 40-mile-per-hour (mph) base speed consumed 34 percent more fuel on "fair" road surfaces, and 56 percent more fuel on "poor" road surfaces, than vehicles traveling on "good" surfaces. These percentages apply to travel on straight, level roadways.

This increased fuel consumption results from a loss of traction on uneven road surfaces and because of an uneven power flow through the drive train due to excessive vibration. (More fuel is consumed by vehicles that operate on curves or steep grades and at speeds greater than 40 mph.)

At 40 mph, a vehicle that is required to periodically slow and then reaccelerate in order to negotiate particularly bad sections of pavement will waste more fuel and have higher operating costs.

Road tests also showed that operating over rough, rutted pavement caused an average of 156 percent more tire wear. Repair to damaged brake, steering and suspension systems would be required almost twice as often. Excessive wear and damage were evident even at speeds well below the posted limits.

TRIP's study does not include increased operating costs due to slowing and accelerating over bad roads, or to traffic congestion caused by narrow lanes, lack of left-turn space, single-lane bridges, overcrowded access roads and other common bottlenecks. All of these factors, however, waste fuel and add to the cost of driving on substandard roads and streets.

Extent of Road Deficiency

The standard for determining road pavement deficiency used in this study is the Present Serviceability Index. It was developed by the American Association of State Highway and Transportation Officials (AASHTO) and is used by federal, state and municipal highway planners to assess current road needs and to estimate future requirements. (The standard is published in the National Transportation Planning Study of the U.S. Department of Transportation.) The index has a numerical rating of 0 to 5, ranging from "very poor" to "very good" pavement.

There are 4,435 miles of paved main roads in Oregon that are rated "poor" or "very poor" by AASHTO standards. The pavement on these roads is extensively cracked, rutted and broken. Riding quality on these roads is described as "intolerable." Fuel consumption when driving on these substandard roads is 56 percent higher than on roads with "good" or "very good" surfaces.

An estimated 9,511 miles of the state's main paved roads are in "fair" condition according to AASHTO standards. The pavement on "fair" roads is characterized as having numerous ruts and cracks and some breaks. Riding quality is tolerable but noticably inferior to "good" pavement according to the federal standards manual published by the Federal Highway Administration. Fuel consumption when driving on these substandard roads is 34 percent higher than on roads with "good" or "very good" pavement.

The total estimated 13,946 miles of substandard roads amount to 70.8 percent of the state's 19,685 miles of paved main roads.

Although physical characteristics such as grade and curvature make some sections of roads in the state deficient by AASHTO standards, this study is concerned only with rutted and broken pavement.

Included in the substandard mileage are some sections of the Oregon Interstate system which now are more than 20 years old and need to be resurfaced or upgraded. This is to be expected since the average life span of Interstate road pavement is 16 to 25 years, depending on traffic volume, terrain, weather and type of construction.

Vehicle Operating Costs

Cost data used in this study included:

1. The average fuel consumption rate for all vehicles in Oregon in 1979 was an estimated 14.1 miles per gallon of fuel, based on federal and state reports on vehicle miles traveled and fuel consumption.

2. The average cost of a gallon of gasoline in the state (as of December 19, 1980) was 123.9 cents per gallon, according to the American Automobile Association.

The typical Oregon motorist drives 10,401 miles a year at a total estimated operating cost of $1,187. This includes $914 for 738 gallons of fuel, $178 for vehicle maintenance and repair and $95 for tire repair and replacement. (Fuel accounts for 77 percent, vehicle maintenance and repairs account for 15 percent and tire repair and replacement is 8 percent, based on findings by Runzheimer and Company, a research firm in Rochester, Wisconsin.)

Driving on deteriorated road pavements can greatly inflate that annual cost. It costs 10.0 cents-per-mile to drive on a road pavement ranging from "fair" to "very poor" condition, compared with a cost of 6.9 cents-per-mile to drive on a road surface ranging from "good" to "very good" condition.

In 1979, motorists in Oregon drove some 11 billion vehicle miles (56 percent of all travel on main roads) over the state's deficient roads.

The cost of driving on those 13,946 miles of substandard roads was $1.43 billion (at December 1980 prices). Had these roads been up to AASHTO standards, this travel would have cost only $992 million -- a savings of $438 million (30 percent), or a savings of more than $233 for each of the state's 1,875,000 licensed drivers. Included in the savings are 271.4 million gallons of fuel, or an average of 145 gallons per driver annually.

The fuel consumption rate was the 1979 average for Oregon based on total vehicle miles traveled and sales of motor fuel in the state.

The fuel waste figures are conservative, as the calculations are based on data that studied passenger cars driving over straight and level roadways at a constant speed of 40 miles per hour.

The figures do not consider the cost added as a result of slowing and reaccelerating in order to negotiate bad stretches of roadway or as a result of traffic congestion due to narrow lanes, lack of left-turn space, single-lane bridges or overcrowded access roads.

Additionally, this study's calculations do not consider increases in fuel consumption caused by driving up steep grades or around sharp curves. The study concerns vehicle operating costs only as a direct result of loss of traction and uneven power flow through drive trains of vehicles driving on deficient road surfaces.

Road Renewal Cost

636 miles of state-maintained roads need to be rebuilt at a cost of $604.2 million, based on the average cost per mile of $950,000. Rebuilding usually involves replacing broken pavement, widening lanes, shoulder work, grading and some new alignment.

4,905 miles of state-maintained roads need to be resurfaced at a cost of $1.23 billion, based on an average cost per mile of $250,000. Resurfacing usually entails covering the existing deteriorated surface with a three-inch layer of asphalt over a 24-foot-wide rural-type road. Also included in the cost is road-shoulder paving, guardrail repair and installation, some drainage work and traffic-control planning.

The cost of both operations would be $1.83 billion or $183.4 million per year if the work were completed within 10 years. This would spread out the cost and allow adequate time for the work to be performed. This 10-year estimate does not allow for the uncertain rate of future inflation or further road deterioration.

Cost estimates are given for state-maintained highways only. Per mile repair estimates for the "poor" and "fair" mileage on the 5,005 miles of county roads and the 3,400 miles of city streets are not available. These costs would be considerably less per mile than the state-maintained roads. The lower costs can be attributed to the fewer lanes and lower traffic volume on the county and city roads.

Some of the substandard roads involved would be eligible for Federal-aid funds which would cover up to 80 percent of the cost of the improvements. However, recently, the state Department of Transportation has had to divert maintenance funds to provide matching funds for Federal-aid. And it is estimated that in three years the state may be unable to meet the required matching funds for Federal-aid assistance.

The condition of the roads in Oregon would be even worse were it not for the continuing efforts of the state and local road agencies to achieve maximum possible improvement in recent years under extremely limited budgets. Any blame for the road conditions in the state should be placed on inadequate funding.

##

FOR FURTHER INFORMATION CONTACT: Judy Finney
Research Director
(202) 466-6706

TESTIMONY

OF

PATRICK HALSTEAD

ASSOCIATE DIRECTOR, WASHINGTON RAILROAD ASSOCIATION

I am Patrick Halstead, Associate Director of the Washington Railroad Association in Seattle, Washington. We appreciate the opportunity to appear before this Subcommittee and present our views on highway legislation.

The railroads have two major interests in the highway program. The first is the rail-highway grade crossing safety program. In previous years, the railroad industry has been a strong advocate of highway safety and we continue in this support.

The DOT has recommended that safety improvement projects at 30,000 rail-highway intersections be undertaken over a 10-year period. After a slow start up, the program is only now achieving the necessary level of 3,000 improvements per year and must operate at that level for at least another five years if the DOT program is to be achieved.

The grade crossing program has enjoyed dramatic success, as the facts illustrate. Between 1974 and 1980, the exposure at grade crossings -- which is a function of the frequency of train and motor vehicle movements -- increased 8 percent. In that same period, the crossing fatalities decreased 38 percent. The absolute number of fatalities decreased from 1128 in 1974 to 704 in 1980.

Given the success of the program and the amount of work yet to be done, we hope the Congress will continue the program. With the continuing development of corridors for the movement of energy products as well as shifting export markets and railroad consolidations, the need for grade crossing improvements is continuing. The highway-rail interface is constantly changing and the need for continuation of the program is more important now than ever. The railroad industry would strongly urge you to continue the rail highway grade crossing improvement program category at a level of $200 million per year.

Now I want to turn to the other area of highway policy which concerns us: truck weight and size limits and the closely-related question of highway user charges.

Motor carriers have become our most important source of competition. Since the first parts of the Interstate Highway System were opened to traffic, the rail share of intercity freight traffic has steadily declined while the truck share has grown. High-quality federal-aid highways have allowed motor carriers to reduce costs and improve service by using longer and heavier trucks and faster, more direct routes between the points they serve. Increased weight and size limits, whether the 80,000 pound gross weight limit now nearly universal among the states, or the much greater limits the American Trucking Association have recently proposed, would place the rail industry at a further competitive disadvantage.

Taken alone, these competitive impacts are not a problem which public policy must address. If our sole argument against raising the weight limit were its adverse potential effect on railroads, our case would not be worthy of serious consideration by this Committee. But the rail industry has raised a further issue which does require consideration: What added costs will result from increased weight limits, and will heavy truck user charges reflect those costs? The rail industry's clear interest in this question does not detract from its importance. It is central to this Congress's decision whether or not to permit increased weight limits. Failing to require motor carriers to bear the full added costs of higher weight limits would violate the principle that each transportation mode should compete on the basis of its costs, not on the advantages it extracts from public expenditures. Such a policy would penalize not only railroads, but the motorists who have to endure deteriorating highways and will ultimately foot the bill for their repair.

A survey of changes in state maximum gross weight limits since 1972 shows a dramatic increase in the Interstate limits. Map I shows the six states which had limits at or above 80,000 pounds in 1972. Six years later, that number had risen to 27, as Map II illustrates. The final map in the series shows that there now remain only two states which retain the former federal limit of 73,280 pounds.

The costs of heavy truck traffic rise sharply as truck weight increases. Chart I shows the relative impact on pavement of similar five-axle trucks loaded to 50, 60, 73, and 80 thousand pounds. The 80,000 pound truck has a 50 percent greater impact on pavement than the 73,000 pound truck. This relationship was established in the AASHTO Ottawa Road Test conducted in 1959 and subsequently confirmed by satellite studies in locations offering a variety of test conditions. In a recent poll of state highway officials, conducted under the sponsorship of AAA, officials in 45 out of 48 states felt that the AASHTO test findings were confirmed by experience with their own highway systems.

While pavement costs are only one element of highway expenditures, they are significant and becoming increasingly important as the focus of the federal highway program shifts toward 4R work.

The widespread increase in gross weight limits has significantly increased truck axle weights and, in turn, the costs heavy truck traffic imposes on the highways. But federal user charges have not kept pace with increasing heavy truck costs responsibility. Federal highway user charge rates have not been increased since 1961, as Chart II shows. Nor do higher truck weights yield automatic increases in federal user charge payments. A long-haul truck pays only about $30 more annually in federal user charges as its gross weight increases from 73,280 to 80,000 pounds. The user charge per ton of cargo actually declines as truck weight increases. Under this user charge structure, motor carriers have gained a substantial advantage at almost no cost to themselves. This suggests that truck user charges ought to be increased.

Only a comprehensive highway cost allocation study can conclusively establish whether heavy truck user charges cover heavy truck cost responsibility. The Department of Transportation is now conducting such a study, and while its final results are not due until January, 1982, the Second Annual Progress Report, released in January of this year, contains a number of significant preliminary findings and recommendations.

The federal study has found that heavy trucks, those registered at gross weights of 50,000 pounds or more, pay user charges which fall well short of meeting their cost responsibility. The Progress Report recommends that user charges for this class be increased by 81 percent. Even then, heavy trucks would pay only 90 percent of their allocated share of federal highway costs.

The Progress Report also recognizes that the heaviest trucks in the top class are responsible for a disproportionate share of highway costs. An 80,000 pound truck imposes substantially higher costs on the highway system than does a 50,000 pound truck. To distribute the burden of increased user charges equitably among these vehicles, the Report recommends that the Heavy Vehicle Use tax, an annual fee based on vehicle gross weight, be increased and redesigned. Under the proposed structure, an 80,000 pound truck would pay a fee nearly 60 percent higher than would a 50,000 pound truck. If this sounds high, bear in mind that, according to the results of AASHTO's road tests, a five-axle, 80,000 pound truck causes nearly three times as much pavement stress as a similar 60,000 pound truck.

While the proposed increases in federal user charges are substantial, they are consistent with other findings. Many states have recently conducted highway cost allocation studies which have arrived at similar conclusions. A study done by the State of Washington concluded that heavier five axle truck/trailers were paying only 47% of their cost responsibility. Studies in Mississippi, Georgia, and Florida have found that user charge increases ranging from 70 to 129 percent are needed to bring truck tax payments in line with cost responsibility.

All this evidence suggests that heavy trucks are paying less than they ought to for the use of the highway system. It means that motor carrier freight rates do not reflect the full costs of truck transportation and that railroads have been competing at a significant disadvantage. Inadequate truck user charges have also deprived the national highway system of much-needed revenue. The growing public impression that the highways are deteriorating is confirmed by the recent DOT report Status of the Nation's Highways. The amount of Interstate mileage needing immediate resurfacing or reconstruction doubled -- from 4 to 9 percent -- between 1975 and 1978. This rate of deterioration will only increase as more of the Interstate System nears the end of its design life. The report cited the growth of the long-distance trucking industry as a major cause of the unexpectedly rapid deterioration in pavement condition.

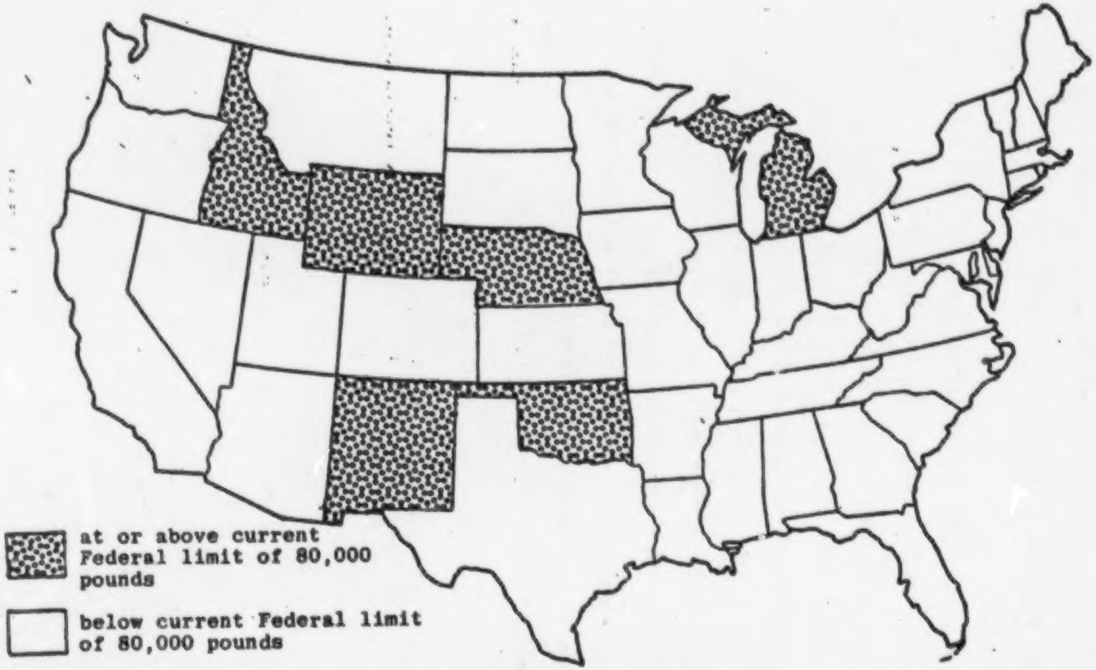
The experience of the nation's many toll roads through a period of traffic growth and severe inflation in highway construction costs offers an illuminating contrast to the situation facing the Interstate System. Tolls, unlike federal user charges, have been increased regularly to provide revenue adequate to maintain facilities to a high standard. According to a recent FHWA analysis, most toll roads have managed to attain self-sufficiency, keeping pavement in excellent condition.

Toll road rate structures all share several features, most notably a steady increase in the charge per mile as vehicle size or weight increases. On the Pennsylvania Turnpike, 80,000 pound trucks pay a rate five and a half times higher than the automobile rate. On the Ohio Toll Road, trucks pay seven times as much as cars do. The rates for such trucks range from 7.5 to 12.6 cents per mile. These rates are substantially above those called for in the Second Progress Report. Despite these relatively high rates, assessed on top of federal and state user charges, motor carriers are quite willing to pay for the better service toll roads offer.

Conclusion

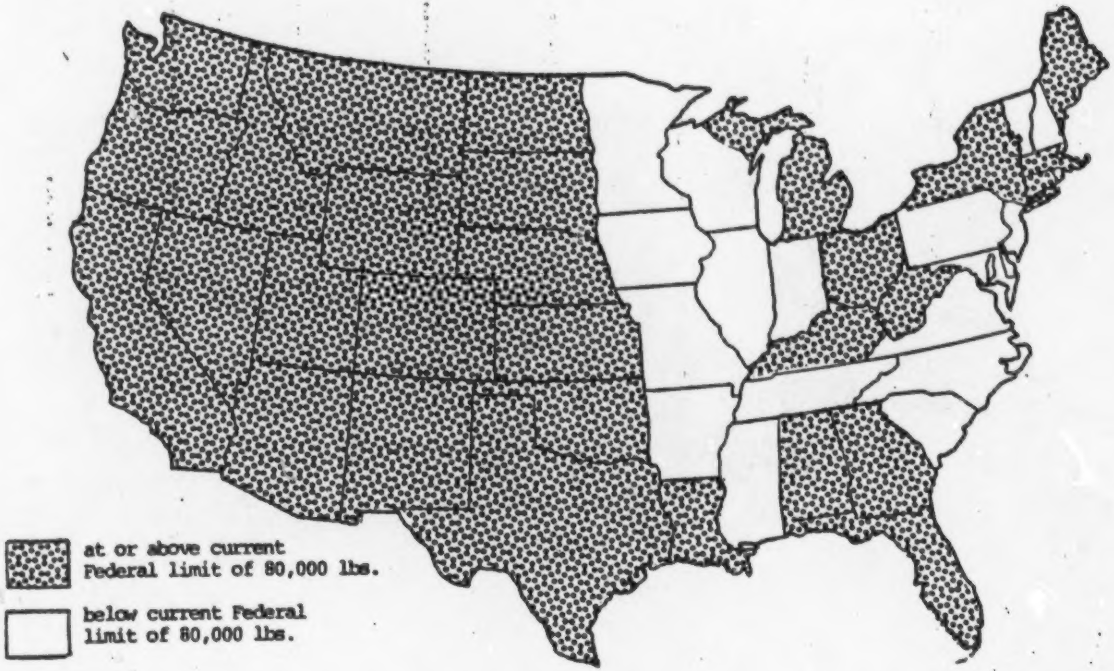
The economic costs and benefits of increased truck weight and size limits are now under study at the Department of Transportation, which will soon issue a report. Should that study conclude that higher size and weight limits would be economically beneficial, the key question of user charges will remain unanswered. The railroad industry urges that this committee act on truck weight and size legislation only after Congress has had the opportunity to assess the need for changes in federal highway user charges. This will help ensure that railroads compete with motor carriers on an equal economic footing. It will also ensure that funds for the repair and preservation of the national highway system are adequate not only to meet current needs, but to cover the added costs of larger, heavier trucks in the future.

MAP


▨ at or above current Federal limit of 80,000 pounds
☐ below current Federal limit of 80,000 pounds

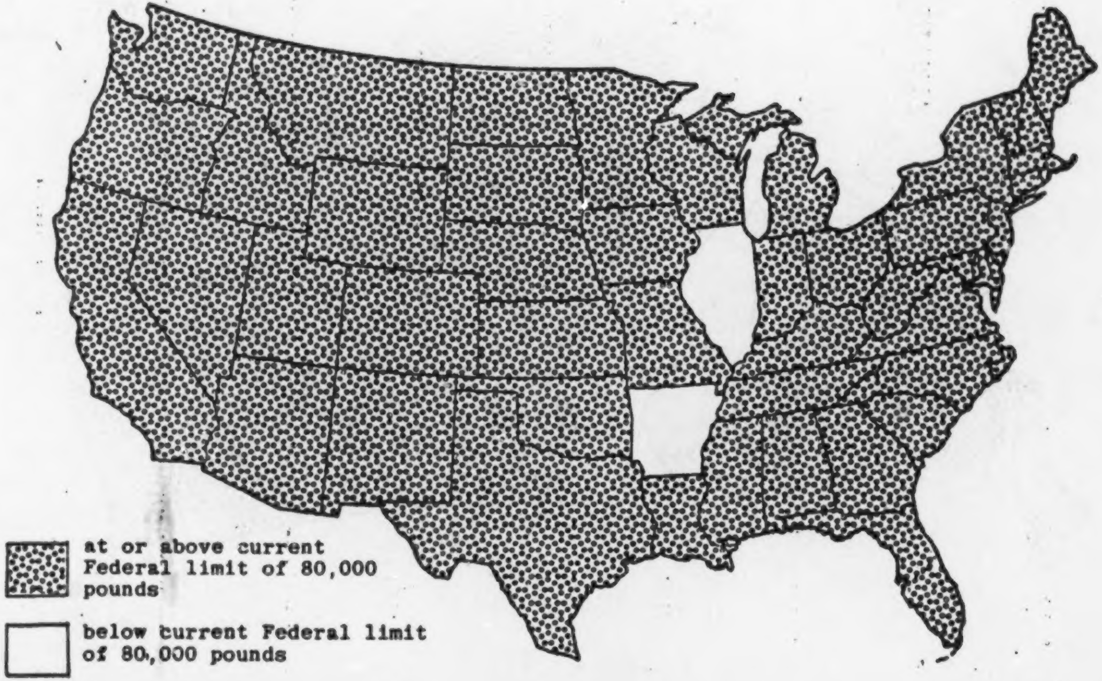
Maximum Gross Vehicle Weights - 1972

MAP II


at or above current Federal limit of 80,000 lbs.
below current Federal limit of 80,000 lbs.

Maximum Gross Vehicle Weights - 1978

MAP III


at or above current Federal limit of 80,000 pounds
below current Federal limit of 80,000 pounds

Maximum Gross Vehicle Weights - 1981

CHART I

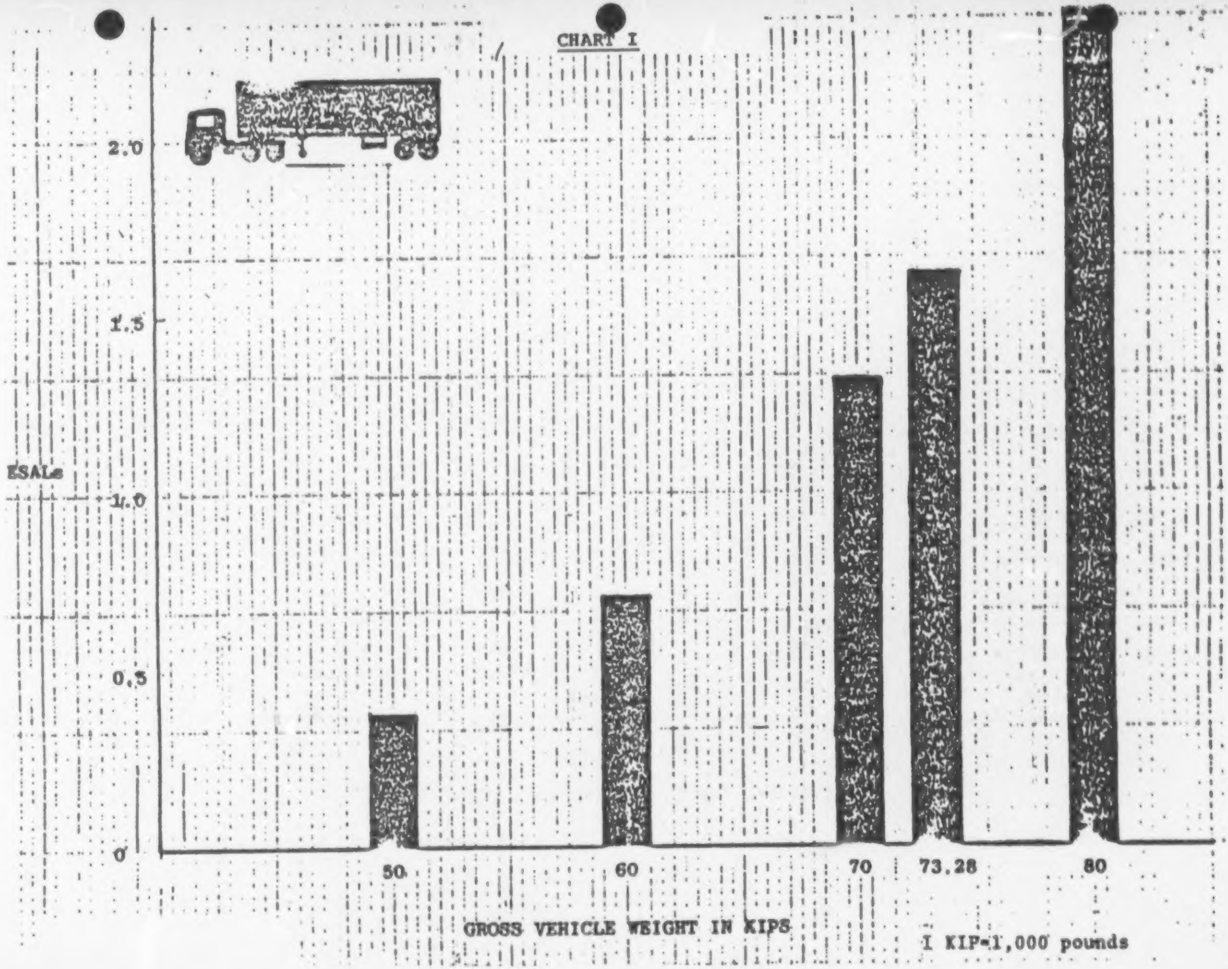

ESALs
2.0
1.5
1.0
0.5
0
50
60
70
73.28
80
GROSS VEHICLE WEIGHT IN KIPS
I KIP=1,000 pounds

CHART II

TAXES USED TO FINANCE HIGHWAY TRUST FUND

Taxes	Last year changed	Previous rate	Current tax rates	Net taxes FY79 ($ millions)	% of to
Gasoline	10/1/59	3¢/gal.	4¢	$ 4,318	60.0
Diesel[1]	10/1/59	3¢/gal.	4¢	516	7.2
New trucks & trailers	7/1/56	8% of manu. sales price	10%	944	13.1
Tire	7/1/61	8¢/lb.	10¢	809	11.3
Heavy vehicle use tax	7/1/61	$1.50/1,000 lbs.	$3	235	3.3
Truck parts & accessories	11/1/51	5% of manu. sales price	8%	225	3.1
Lubricating oil	11/1/42	4.5¢/gal.	6¢	84	1.2
Tubes	7/1/61	9¢/lb.	10¢	38	0.5
Tread rubber	7/1/61	3¢/lb.	5¢	20	0.3
New automobiles	8/16/71	7% of manu. sales price	0%	0	0
Total from excise taxes				7,189	100

TRI-CITY NUCLEAR INDUSTRIAL COUNCIL, INC.
[illegible]

TESTIMONY PRESENTED BY
SAM VOLPENTEST
EXECUTIVE VICE PRESIDENT, TCNIC
BEFORE THE
SENATE ENVIRONMENT & PUBLIC WORKS COMMITTEE
SEATTLE, WA AUGUST 17, 1981

MR. CHAIRMAN, MEMBERS OF THE TRANSPORTATION SUBCOMMITTEE OF THE SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE; I AM SAM VOLPENTEST, EXECUTIVE VICE PRESIDENT OF THE TRI-CITIES NUCLEAR INDUSTRIAL COUNCIL. THE COUNCIL IS A NOT-FOR-PROFIT CORPORATION ORGANIZED IN 1963 TO PROMOTE THE DIVERSIFICATION OF THE TRI-CITIES, TO PROVIDE A SITE FOR AN ENERGY CENTER AT HANFORD WHICH WILL SOON BE GENERATING MUCH NEEDED POWER FOR THE PACIFIC NORTHWEST AND TO INITIATE RESEARCH FOR OTHER ENERGY SOURCES AND TO PROMOTE THE INDUSTRIAL AND GENERAL ECONOMIC WELFARE OF OUR REGION.

OUR MEMBERSHIP IS COMPOSED OF NEARLY 200 MEMBERS INCLUDING BUSINESS, LABOR, PROFESSIONAL, INDUSTRIAL, FINANCIAL, CHAMBERS OF COMMERCE, AND UTILITIES (PUBLIC AND PRIVATE). IT INCLUDES A COMPLETE CROSS SECTION OF OUR AREA. WE WERE ORGANIZED WHEN WE LEARNED THAT THE FEDERAL GOVERNMENT WAS ANTICIPATING THE CLOSURE OF HANFORD WITH ITS WEAPONS PRODUCTION FACILITIES. AT THAT TIME BETWEEN 75 AND 80 PERCENT OF THE TOTAL ECONOMY OF THE TRI-CITIES WAS DEPENDENT ON THE HANFORD PAYROLL AND THESE CLOSURES WOULD HAVE BEEN DISASTROUS TO THIS AREA.

WE WERE CALLED THE DREAMERS IN 1963. WE WERE CALLED MANY OTHER NAMES BUT AS YOU KNOW MOST OF OUR DREAMS HAVE COME TRUE AND THE TRI-CITIES' GROWTH IN THE LAST FEW YEARS IS UNPARALLELED IN THE HISTORY OF THIS STATE. LET'S CITE A FEW EXAMPLES: THIS AREA GREW IN THE LAST YEAR ALONE BY 6,000 NEW RESIDENTS. SINCE 1970 THE TRI-CITIES HAS SHOWN AN ANNUAL GROWTH RATE OF APPROXIMATELY 14 PERCENT WHICH IS DOUBLE THAT OF ANY OTHER AREA IN THE STATE. THE WASHINGTON PUBLIC POWER SUPPLY SYSTEM IS NOW CONSTRUCTING $10 BILLION WORTH OF NUCLEAR POWER PLANTS ON THE HANFORD RESERVATION AND THERE IS APPROXIMATELY $1 BILLION IN GOVERNMENT FUNDED RESEARCH AND DEVELOPMENT NOW UNDERWAY. RECENTLY ANOTHER PROGRAM WAS ANNOUNCED FOR HANFORD WITH A STARTING FIGURE OF SOME $70 MILLION. THIS PROJECT COULD GROW TO BE LARGER THAN ALL THE WORK NOW UNDERWAY BY THE DEPARTMENT OF ENERGY. THIS IS ONLY THE BEGINNING. JOBS INCREASED LAST YEAR BY MORE THAN 4,000 AND WE ARE NOW PROJECTING AS MUCH FOR 1982. NEW BUSINESSES STARTED DURING 1980 EXCEEDED ANY YEAR SINCE 1975. THE REAL PROOF THAT WE ARE GROWING AT SUCH A RATE IS THE FACT THAT IN 1977 FOUR NEW BANKS AND THREE SAVINGS AND LOAN BANKS OPENED. THREE MORE SAVINGS AND LOAN BANKS OPENED IN 1978. IN THE PAST TWO YEARS NEARLY 2,400 APARTMENT UNITS HAVE BEEN BUILT AND RESIDENTIAL CONSTRUCTION HAS BEEN GROWING AT A 15-20 PERCENT RATE UNTIL THE LAST SIX MONTHS WHEN HIGH MORTGAGE RATES HAVE FORCED DEVELOPERS OUT OF THE MARKET AND RETAIL SALES CLIMBED LAST YEAR AT A RECORD-BREAKING 32 PERCENT.

WHAT MAKES OUR FUTURE SO BRIGHT? WE ARE THE HUB OF MUCH-NEEDED AGRICULTURAL AND ENERGY PRODUCTION. WE HAVE AN EVER-EXPANDING AGRICULTURAL ECONOMY. IN 1975 A TOTAL OF $80 MILLION WAS SPENT BY PRIVATE DEVELOPERS BRINGING SOME 85,000 ACRES OF NEW FARM LAND IN PRODUCTION. AT LEAST THAT MANY MORE ACRES HAVE BEEN DEVELOPED IN THE PAST SEVERAL YEARS. THERE IS A GROWING NEED FOR A GOOD HIGHWAY SYSTEM TO FACILITATE THE MOVEMENT OF PRODUCTS IN THIS INDUSTRIAL AND AGRICULTURAL ECONOMY.

IT IS THIS GROWTH WHICH HAS CAUSED US TO WORK SO HARD IN SUPPORT OF I-82 and I-182 FOR THE TRI-CITIES. THIS WORK IS NOW WELL UNDERWAY BUT WE ARE CONCERNED THAT THESE PROJECTS MAY BE SERIOUSLY DELAYED DUE TO OVERALL FUNDING PROBLEMS. WE RESPECTFULLY URGE THAT YOU GENTLEMEN DO EVERYTHING THAT YOU CAN TO KEEP THESE PROJECTS ON SCHEDULE.

THERE ARE MANY REASONS WHY THESE INTERSTATE PROJECTS SHOULD BE PROMPTLY COMPLETED. I HAVE MENTIONED SEVERAL AND WILL MENTION SEVERAL MORE. IF ANY OF YOU HAVE BEEN IN THE TRI-CITIES LATELY YOU WILL HAVE NOTED THE PRESENT HAZARDOUS TRAFFIC CONGESTION WHICH IS A BURDEN ON ALL THE PEOPLE WHO LIVE AND WORK THERE. WE ARE THE ONLY METROPOLITAN AREA IN THE STATE THAT IS SERVED BY TWO-LANE HIGHWAYS IN AND OUT OF THIS FAST-GROWING AREA. OVER 20,000 WORKERS HAVE TO DRIVE THESE TREACHEROUS ROADS TO GET TO AND FROM THEIR JOBS AT HANFORD ALONE.

AT THE PRESENT TIME, THERE ARE ABOUT 130,000 PEOPLE IN THE TRI-CITIES, AND WE ARE STILL DREAMING OF FURTHER GROWTH. WE ALSO INTEND TO MAKE THAT DREAM COME TRUE. WE BELIEVE WE WILL BE SUCCESSFUL IN OUR ENDEAVORS BECAUSE WE ARE THE CENTER OF FUTURE ELECTRIC POWER GENERATION, FUTURE POWER RESOURCE DEVELOPMENT AND, MOST IMPORTANTLY, WE ARE BECOMING ONE OF THE WORLD'S LARGEST FOOD PROCESSING CENTERS.

AS THE TRI-CITIES GROW, ALL OF THE GREAT STATE OF WASHINGTON WILL BENEFIT. GROWTH, HOWEVER, REQUIRES EASE OF TRANSPORTATION, AND DELAY OF OUR CURRENT ROAD AND BRIDGE CONSTRUCTION WILL SERIOUSLY HAMPER OUR GROWTH POTENTIAL.

I WOULD LIKE TO LEAVE ONE FURTHER THOUGHT WITH YOU. TODAY WE HAVE A WORLD ENERGY PROBLEM. WE IN THE TRI-CITIES ARE DOING EVERYTHING WE CAN TO HELP RESOLVE THE ENERGY PROBLEM IN THE PACIFIC NORTHWEST.

TOMORROW WE ARE GOING TO HAVE A WORLD FOOD PROBLEM WHICH MAY MAKE OUR ENERGY PROBLEM SEEM SMALL IN COMPARISON. THE COLUMBIA RIVER BASIN'S DEVELOPMENT WILL PLAY A GREAT ROLE IN HELPING TO RESOLVE THE FUTURE FOOD CRISIS. THE TRI-CITIES WILL BECOME ONE OF THE MOST IMPORTANT HUBS IN THE COLUMBIA RIVER DEVELOPMENT. WE MUST BE PREPARED TO ADEQUATELY TRANSPORT THAT PRODUCE TO MARKET. YOU CAN HELP US BY ALLOWING THE INTERSTATE THAT IS NOW UNDER CONSTRUCTION TO BE COMPLETED INSTEAD OF CANCELLED. WE ARE ASKING FOR A SMALL CONSIDERATION AND WE STRONGLY URGE YOUR SUPPORT OF THE COMPLETION OF I-82 AND I-182.

Central
Contractors
Association, Inc.
ASSISTANCE TO MINORITY CONTRACTORS
3405 Rainier South, Seattle, WA 98144 • 725-9775

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TESTIMONY OF
REGINALD S. FRYE, PRESIDENT,
CENTRAL CONTRACTORS ASSOCIATION (CCA),
BEFORE THE
TRANSPORTATION SUBCOMMITTEE OF THE
SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE
CONCERNING HIGHWAY NEEDS AND FEDERAL-AID HIGHWAY PROGRAM

AUGUST 17, 1981

Thank you Mr. Chairman and members of the Subcommittee for this opportunity to testify.

I am speaking on behalf of a collective group of minority business enterprises and women-owned businesses in the State of Washington. Most of the speakers have addressed many items but I will leave my testimony to the I-90 portion which is now incomplete. We are in agreement with the 1976 Memorandum of Agreement: Washington State, King County, Seattle, Bellevue, Mercer Island, and the Municipality of Metropolitan Seattle (Metro).

The minority community, since the late 1960's, has been disrupted: people have been relocated and they have been unable to sell their homes because of the delay in this project. I feel that it is a high priority for the new administration to fund this project immediately.

The impact of the legislation proposed now before the subcommittee has left out minority business enterprise in this proposal. This is taxation without representation. The section of the I-90 bridge to be completed goes to the heart of the minority community. The community pays taxes to the city, county, and state as well as to the federal government through various forms of taxation, one of which is the gasoline tax. The minority community has been heavily taxed by the Metro system to give adequate transportation to non-minorities in the suburbs. I feel that the taxes we pay should be returned by giving us an opportunity to participate in the construction of this project and all other projects under the Federal Aid Highway Program Legislation.

We sincerely appreciate the Federal Government's support and look forward to a continuing relationship. We wish to thank this committee and its staff for the opportunity to testify today.

RSP/jf

P. O. Box 550
Tri Cities, Wa. 99320
August 10, 1981

To: Members of the Transportation Subcommittee of the Senate Environment and Public Works Committee

From: John D. Duncan, President
Benton-Franklin Counties Good Roads & Transportation Association

Dear Senator Steve Symms and Colleagues

The Benton-Franklin Counties Good Roads and Transportation Association respectfully desire to go on record favoring the following actions by the Federal Department of Transportation:

1. Completion of all Inter-State segments in all 50 states as planned and as soon as feasible to avoid the inflation spiral.

2. Loan States the necessary funding for early completion where States have difficulty providing the 10%.

3. After completion of the system and with continuing tax, provide States block grants based on a formula of miles of supported highways and growth factors.

4. Maintain funding for narrow and unsafe bridge replacement.

We appreciate the fact that many State's systems have been completed and require upgrading and maintenance. We also recognize that western states do not have the traffic miles, but we feel the distance miles tend to compensate for this.

We appreciate your interest in our problems and regret that it is impossible to attend your hearing in person.

Sincerely,

John D. Duncan

STATEMENT ON
SENATE BILL 841 AND SENATE BILL 1024
BY
LAWRENCE J. FAULK
CITIZEN
AUGUST 17, 1981

THANK YOU FOR GIVING ME AN OPPORTUNITY TO PRESENT MY VIEWS CONCERNING THE FEDERAL AID HIGHWAY PROGRAM NEEDS IN WASHINGTON STATE AND THE IMPACT OF THOSE LEGISLATIVE PROPOSALS ON TACOMA AND PIERCE COUNTY.

FIRST, I APPLAUD THE CONGRESS FOR APPROPRIATING HIGHWAY TRUST FUNDS TO BUILD SUBSTITUTE HIGHWAY PROJECTS. THIS MAKES GOOD SENSE BECAUSE TO BECOME ELIGIBLE FOR THOSE FUNDS, A COMMUNITY MUST UNITE AND DEVISE A TRANSPORTATION STRATEGY THAT BENEFITS ALL THE PEOPLE.

I AM CONCERNED ABOUT SUBSECTION (D) OF SENATE BILL 841 AND SUBSECTION (E) OF SENATE BILL 1024, BOTH OF WHICH READ AS FOLLOWS: "ANY ROUTE OR SEGMENT THEREOF ADDED TO THE INTERSTATE SYSTEM AFTER MARCH 7, 1978, PURSUANT TO SPECIFIC LEGISLATION WILL NOT BE ELIGIBLE FOR WITHDRAWAL AND SUBSTITUTION UNDER THIS SUBSECTION."

IT IS MY UNDERSTANDING THAT THIS SUBSECTION WOULD PREVENT WE IN PIERCE COUNTY AND THE CITY OF TACOMA FROM WITHDRAWING THE "TACOMA SPUR" AND SUBSTITUTING OTHER PROJECTS THAT WILL BENEFIT A LARGER NUMBER OF CITIZENS. THOSE PROJECTS COULD CONSIST OF (1) IMPROVED ACCESS TO DOWNTOWN TACOMA; (2) RESTORATION OF THE

Union Depot into a transportation center; (3) improve Meridian Street to handle the growth being generated in the South Hill area; (4) complete the missing link between SR 16 and I-5; (5) improve the 11th Street corridor from Northeast Tacoma to Downtown Tacoma.

Our community is divided on the question of whether to build the "Tacoma Spur" or to withdraw it and substitute other projects. We need an opportunity to make this decision at the local level.

However, if this legislation is passed, we would be prevented from deciding that question in our community and at the same time authorize an interstate segment that is of marginal value and probably will never be built.

If we as a community were prevented from withdrawing "The Spur" and substituting other projects of wider acceptance by the community, and if the Federal Highway Administrator were given the opportunity to remove non-essential interstate segments from the system, then Tacoma could end up with no access to our central business district and at the same time lose the opportunity to construct other much needed transportation projects in our community.

The Tacoma Spur is not an essential link because I-705 is not listed in the Federal Highway Administration published list of projects which are essential for completion of a unified and connected interstate system. The other problem with keeping I-705 in the interstate system is that the projections

INDICATE THAT THERE ARE NOT ENOUGH INTERSTATE FUNDS ALLOCATED TO THE STATE OF WASHINGTON TO COMPLETE ALL INTERSTATE SEGMENTS. THE STATE DEPARTMENT OF TRANSPORTATION ESTIMATES THERE WILL BE A SHORTFALL BETWEEN NOW AND 1986 OF SOMEWHERE BETWEEN 1 BILLION AND 600 MILLION DEPENDING ON THE ASSUMED INFLATION FACTORS.

SO, BY ELIMINATING THIS SECTION FROM THE BILL, WE AS A COMMUNITY WILL BE ABLE TO DECIDE OUR OWN FATE; THE INTERSTATE FUNDS SHORTFALL IS SOMEWHAT REDUCED; AND WE AS A COMMUNITY WILL BE ABLE TO CONSTRUCT A NUMBER OF PROJECTS THAT WOULD BENEFIT ALL THE CITIZENS.

I WILL BE HAPPY TO ANSWER YOUR QUESTIONS.

HIGHWAY USERS FEDERATION OF ALASKA
5331 Minnesota Drive
Anchorage, Alaska 99502
(907) 276-2363

August 17, 1981

Senator Steve Symms
Chairman
Subcommittee on Transportation
United States Senate
Washington, D. C. 20150

Dear Senator Symms and Committee Members:

The Highway Users Federation of Alaska appreciates the invitation to participate in the upcoming hearing or supply written testimony regarding the Federal Aid Highway Program. We will be unable to testify in person, but would like to present the following for your consideration.

Our nation is currently making a concerted effort to "turn around" our economy and regenerate our productivity and prosperity. Without a good transportation system, and particularly first class highways, this may not be possible. Losses of efficiency and economy due to a deteriorated highway system are quickly translated into increased costs for goods and services. For this reason, we urge a continued strong federal highway program. We also urge continuation of the Highway Trust Fund at least through the year 2000 and recommend that all current funds be made available for presently needed projects.

Projects to bring our highways back to an efficient level will have a high price tag. We should consider ways of meeting these costs through increased user fees on an equitable basis. Present trust funds and new fees should not be used to fund mass transit, and funding for bicycle paths should continue to be funded as under current law without diversion of large sums of federal funds.

Alaska does not have Interstate System mileage, but we recognize that completion of the Interstate is essential to the national-well being and defense. We urge that the remaining essential gaps be completed as soon as possible.

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Bob Scott
Alaska State Auto Club

Adding reconstruction to the present "3R" program (resurfacing, restoration, rehabilitation) would be an appropriate expression of the Federal Government's responsibility for future maintenance of the Interstate System.

Bridges across America need attention. Seventeen percent of Alaska's bridges are currently rated "deficient", and we understand the situation is worse in many states. We urge continued federal involvement.

The Alaska Highway Users Federation has historically been deeply involved in safety programs in our state. We firmly believe that more can and should be done to eliminate death and injuries on our highways. In a time when the mood of the nation is to cut back expenditures for non-essential services, it will be tempting to relax our efforts in highway safety both at the federal and state levels. We urge that the Federal Government continue to make a reasonable investment in safety and provide the leadership to help insure progress. Consolidation of the many federal-aid for safety programs and projects will result in simplified funding procedures and allow states to use the funds more efficiently.

Extremes of distance, climate, and federal ownership of land make Alaska somewhat unique in its highway program needs. The State of Alaska is currently exhibiting its willingness to invest heavily from its general fund surplus in transportation improvement projects. The highway portion of these funds are being used to develop a much needed secondary road system and for safety improvement projects. We will appreciate the continued consideration by Congress of our unique needs and your continued support of our primary system as well as federal aid for access to federal lands.

Thank you for the opportunity to present these views.

Sincerely,

Vern Smith

Vern N. Smith
President

VNS:bmc

cc: Senator Frank H. Murkowski

TESTIMONY OF JOHN Q. LA FOND

CO-CHAIRPERSON, TACOMA SPUR ALTERNATIVES
3110 N. 30TH STREET
TACOMA, WASHINGTON 98407
(206)759-4034

Dear Mr. Chairman:

My name is John Q. LaFond and I am Co-Chairperson of Tacoma Spur Alternatives, a citizens' group opposed to construction of I-705, the "Tacoma Spur." I appreciate the opportunity to set forth our views on the Tacoma Spur specifically and as they relate generally to the Federal Interstate Highway System.

There are two central, compelling facts that underlie all discussion of the federal highway system. First, the cost of completing construction of the system as presently constituted has increased a staggering amount over the past several years, raising serious doubts about the desirability and feasibility of completing the system as presently contemplated. Second, significant portions of the interstate system are currently in dire need of maintenance and repair and, as I understand it, under current law, federal interstate funding cannot be used for this essential purpose. This critical need for maintenance and repair of interstate segments can only accelerate with the passage of time and continued traffic use. Indeed, it is foolish to construct new highways while those already built are severely deteriorating before our very eyes.

Given this harsh reality, it is imperative that Congress and the Administration establish a rational priority system

TO DETERMINE WHICH, IF ANY, UNCOMPLETED INTERSTATE SEGMENTS WILL BE CONSTRUCTED. THE TACOMA SPUR IS A USEFUL CASE FOR DEVISING CRITERIA FOR THIS UNDERTAKING. I-705 IS AN EXTRAORDINARILY EXPENSIVE ONE AND ONE-QUARTER MILE ROADWAY. THE ORIGINAL ESTIMATE OF $72.5 MILLION HAS RAPIDLY ESCALATED TO AT LEAST $160 MILLION AND THE FINAL COST WILL UNDOUBTEDLY BE SUBSTANTIALLY HIGHER. THE TACOMA SPUR HAS THE FOLLOWING CHARACTERISTICS:

1. IT DOES NOT CONNECT TWO EXISTING SEGMENTS OF INTERSTATE HIGHWAY OR EXTEND AN EXISTING SEGMENT OF INTERSTATE HIGHWAY.

2. IT DUPLICATES EXISTING, FUNCTIONAL ROADS.

3. PRESENT TRAFFIC PATTERNS MEASURED ACCURATELY AND OBJECTIVELY DO NOT JUSTIFY THE ALLEGED NEED FOR THE FACILITY.

4. OBJECTIVE, NATIONALLY-RECOGNIZED CITY PLANNING EXPERTS CONCLUDED THAT IT WAS UNNECESSARY AND RECOMMENDED THAT IT NOT BE BUILT. (SEE TACOMA REGIONAL/URBAN DESIGN ASSISTANCE TEAM REPORT, OCTOBER 31, 1977, P. 41-42).

5. IT WAS ADDED TO THE INTERSTATE HIGHWAY SYSTEM BY UNUSUAL, SPECIAL LEGISLATION (COMMONLY REFERRED TO AS "PORK-BARREL" LEGISLATION) WITHOUT AFFIRMATIVE RECOMMENDATION OF FEDERAL HIGHWAY AGENCIES.

6. IT WILL IN FACT CAUSE SERIOUS DAMAGE TO THE CITY OF TACOMA BY EXACERBATING ALREADY ACUTE AIR POLLUTION, BY CUTTING TACOMA OFF FROM ITS WATERFRONT, BY DAMAGING HISTORIC BUILDINGS AND BY DUMPING TRAFFIC INTO RESIDENTIAL NEIGHBORHOODS INCAPABLE OF ACCOMMODATING IT.

7. A Regional Government Planning Group, the Puget Sound Council of Government, formally requested the City of Tacoma to reconsider whether the Taçoma Spur should in fact be constructed.

8. It is opposed by a significant number of citizens; and, finally,

9. It will undoubtedly be the subject of litigation.

From these characteristics we suggest that criteria for determining which remaining interstate segments should not be built can readily be ascertained. They include:

1. Essentiality. Does the proposed segment connect or extend other interstate segments or is it simply a "spur" or "feeder" segment?

2. Duplication. Are there roads in place which can serve the same traffic function?

3. Opinion of Disinterested Experts. Have disinterested experts concluded that the facility is not needed and will cause damage if constructed?

4. Traffic Patterns. Do current traffic patterns, measured accurately, justify the facility?

5. Method of Entry Onto the Interstate System. Was the segment authorized in the normal manner and recommended by federal agencies with expertise in the area or was it added by special legislation with minimal study and evaluation?

6. Adverse Consequences. Will the segment have significant adverse collateral consequences such as exacerbating an already critical air pollution problem or fragmenting otherwise related areas of a city?

7. Unanimous Support. Is the segment supported enthusiastically and unanimously by all governmental entities or is there serious doubt about the wisdom of the segment?

8. Controversial Projects. Do most citizens support the construction of the segment or is there significant opposition from concerned citizens?

9. Litigation. Will the project be delayed by litigation, thereby increasing the cost and diminishing any purported benefit?

By all of the suggested criteria, the Tacoma Spur is an ill-conceived, unnecessary, harmful and controversial segment which should not be built. It is also a prohibitively expensive price to pay for one and a quarter miles of elevated concrete.

As important is the dire need for maintenance and repair of existing highways and bridges. Failure to allocate sufficient federal funds for this task will surely jeopardize the continued viability of the entire interstate system as a critical national resource and will, in effect, be abandoning important capital facilities built at significant taxpayer expense. Indeed, a strong case can be made that future maintenance and repair funding for existing interstate highways should be insured before any new interstate segments are constructed.

BECAUSE THERE ARE COMPELLING REASONS WHY SEGMENTS LIKE I-705 SHOULD NOT BE BUILT AND BECAUSE THERE IS LIMITED CAPITAL AVAILABLE IN THE FUTURE FOR TRANSPORTATION FACILITIES AND BECAUSE OF THE INCREASED POPULARITY OF WITHDRAWAL OF INTERSTATE SEGMENTS AND SUBSTITUTION OF LESS COSTLY AND MORE USEFUL TRANSPORTATION FACILITIES BY OTHER CITIES AND STATES, WE URGE CONGRESS TO INSURE THAT THE TACOMA SPUR IS MADE ELIGIBLE FOR "WITHDRAWAL AND SUBSTITUTION" AND THAT THE DEADLINE FOR SUCH TRANSFERS BE EXTENDED BEYOND THE CURRENT CUT-OFF DATE OF 1983.

ANY RATIONAL AND OBJECTIVE COST-BENEFIT ANALYSIS OF PIERCE COUNTY'S TRANSPORTATION NEEDS WILL DEMONSTRATE THAT ANY MONEY EARMARKED FOR CONSTRUCTION OF THE TACOMA SPUR WILL DO MORE GOOD FOR MORE PEOPLE IF IT IS SPENT ON A DIVERSIFIED AND ECONOMICAL TRANSPORTATION SYSTEM WHICH IS IN KEEPING WITH THE FUTURE REALITY OF HIGH ENERGY AND AUTOMOBILE COSTS AND ACUTE REGIONAL TRANSPORTATION NEEDS.

THANK YOU VERY MUCH FOR YOUR TIME.

TRANSIT
NOT
ONE-PERSON
CARS

A MESSAGE FROM SOME I-90 Corridor Residents

WRITTEN TESTIMONY Aug 17

This is from Wendy Brawer,
1243 RAINIER AVE S
Seattle Wa 98144

As a resident of the I-90 Corridor, I view the daily ~~snarl~~ snarl of traffic caused by commuters who insist on driving alone in their cars across the bridge to work in the city.

Its too much to build a freeway completion that does not discourage single person cars, that in fact will encourage this kind of wasteful behavior. A new transit system should be the primary reason for completing I-90. A good transit system makes sense for the future, it will be a good investment.

Mean while the houses & businesses in the corridor have been in a state of limbo for twenty years, encourageing the whole neighborhood to become rundown & delapidated. Its very irresponsible. 400 familys will be displaced and there is not enough substitute housing for them. The suburbanites who will use I-90 dont deserve to ride in their own little cars so that all these middle-to-lower class people will have to move, at great expense do the state. I say put up a toll booth now, charge single cars $5 during commuting hours & Carpoolers $.50 to cross the Bridge & put the $ to the completion with emphasis on Transit.

Thanks; please be far-sighted.
Wendy Brawer